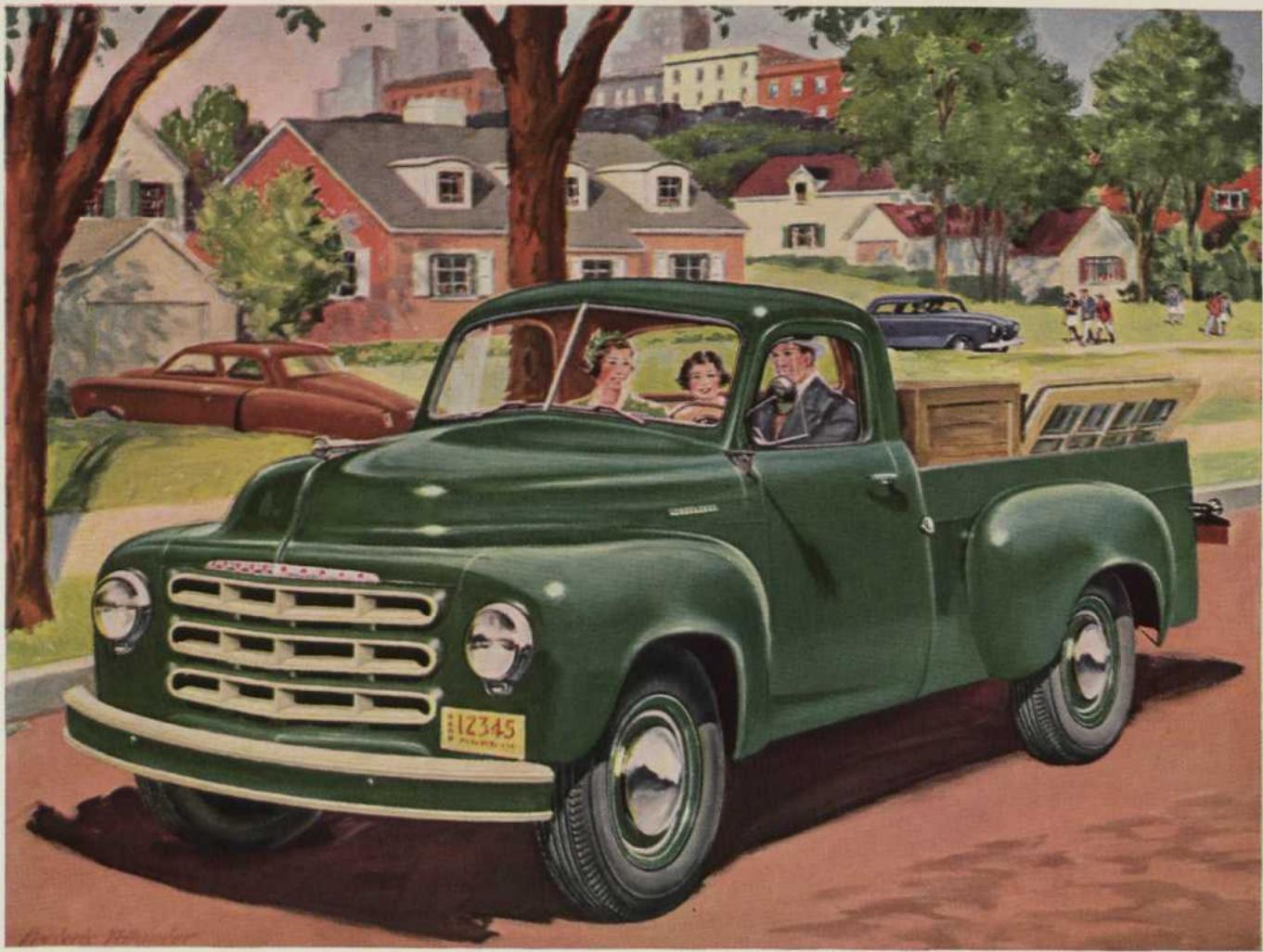


OCTOBER·1950

Nation's BUSINESS





1/2-ton 6 1/2-foot pick-up—3/4-ton and 1-ton 8-foot pick-ups are also available.

First trucks to offer you gas-saving overdrive*

MAKE sure of long-lasting, long-range operating economy! Get Studebaker's thrifty-assuring overdrive transmission, if you are thinking about buying a new half ton or three-quarter ton truck.

This revolutionary Studebaker forward step in truck engineering is extra cost—but it starts paying its way right away in extra thrift.

First trucks to offer gas-saving, engine-saving overdrive, these husky new Studebakers are also first with real "lift-the-hood" accessibility to

engine—ignition—and instrument panel wiring!

They're America's first trucks, too, with variable-ratio extra leverage steering for easier turn-arounds and parking—first trucks with a twist-resisting K-member frame up front.

Get a full measure of value for your money. Stop in and see the new Studebaker trucks.

STUDEBAKER TRUCKS

Noted for low cost operation



Sizes and wheelbases for hundreds of hauling needs! Studebaker trucks come in 1/2, 3/4, 1, 1 1/2 and 2 ton models. Two great truck engines—the high-efficiency Econ-o-miser—and the high-torque Power-Plus.



Amazing all-weather comfort! Studebaker's Truck Climatizer, available at extra cost, thoroughly heats and ventilates the roomy cab. Window wings and foot-controlled floor ventilators are standard.



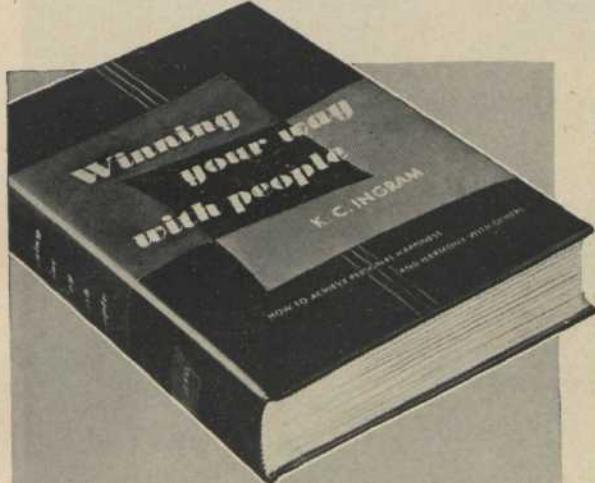
Low cab floor and enclosed safety steps—automatic door stops and tight-gripping rotary door latches, too. Two arm rests and sun visors. Dual windshield wipers. Metal-lined doors and dash compartment.



Big-visibility windshield, side windows and rear window! Powerful brakes and rugged, easy-riding springs. Automatic spark control includes gas-knock eliminator. © Studebaker, South Bend 27, Indiana, U.S.A.

*Optional at extra cost on 1/2 ton and 3/4 ton models

How to make people listen to YOU Think well of YOU...Agree with YOU... ...and remember YOU!



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get—that you can use right away!

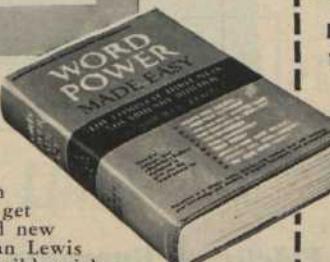
How to Get Ideas Across to People
How to Build a Winning Personality
How to Win People's Help in Business
How to Make a Speech and Feel No Pain
How to Help the Customer Buy
How to Come Out of Your Shell
How to Be Happy Though Married
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The "Just-as-I-Am" Complex
How People Will Pay You Back
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Personal Television by Telephone

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by Norman Lewis

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Books by men at the TOP for those on the way UP

**Your Success Depends On Your Ability to Win
Others to Your Way of Thinking—Here Is a Proven
Method for Achieving the Goals You Desire!**

John D. Rockefeller once said: "I will pay more for the ability to deal with people than for any other ability under the sun."

A group of top executives recently put "ability to handle people" above technical skill, capacity for decision and any other personal quality which contributed to their success.

Yes—the one *success secret* upon which every authority agrees is the ability to influence and direct the efforts of others. And "Winning Your Way With People"—the practical, proven guide to handling people—is yours **FREE** when you mail coupon below.

Top salaries are paid to those who have the ability to influence and direct the efforts of others. Mediocre jobs, failure to achieve one's rightful station in life, and a colorless, indifferent social existence practically always "trademark" people who do not understand how to get along with those who work with them or for them, or with those who come in contact with them after business hours.

Here, at last, is a guide to handling people successfully. Prepared by K. C. Ingram, assistant to the President of the Southern Pacific Railroad, and for many years a feature editor for the Associated Press, it reveals the psychology of making people *listen* to you, *think well of* you, *agree with* you and *remember* you. In simple language, it explains how to gain poise and confidence, how to put your ideas across, how to think on your feet, how to make better speeches, write more compelling letters, increase your selling efficiency. Dr. Henry C. Link, Vice-President of The

Psychological Corporation, says of it: "Management will want to put this book into the hands of every supervisor and salesman, both because it is highly readable and because it is highly practical."

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All of this growth and the size of the Bell System are proving of particular value right now. One reason this country can outproduce any other is because it has the most and the best telephone service in the world.

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Nation's Business



PUBLISHED BY
CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 38

OCTOBER, 1950

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Get those 'Inside Calls' off your switchboard with New Executone Intercom!

THE NEW EXECUTONE improves all communications: inter-office, office-to-plant, and telephone! Because Executone frees your switchboard of "inside calls"... opens all lines for incoming calls! You save money, your customers save money—on call-backs, delays, big phone bills.

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Years ahead of its time, "CHIMEMATIC" signalling announces calls automatically. New circuits make voices clearer, instantly recognizable.

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Without obligation, please let me have:

The name of your local Distributor
 Complete descriptive literature

NAME.....

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CITY.....

Modern

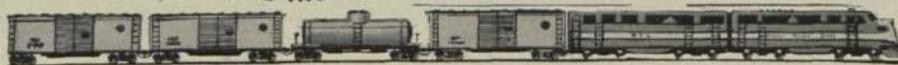
Progressive

...from cab-to-caboose radio telephones on fast freights... to the luxuriously appointed coaches, Pullmans and lounges of MO-PAC's ultra-modern streamlined Eagles.

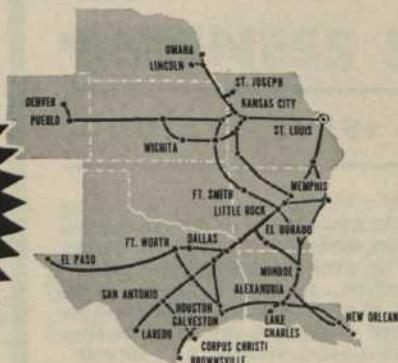
...the oldest line west of the Mississippi River constantly adds the newest in facilities to make travel and shipping faster, better and safer.

**MISSOURI
PACIFIC
LINES**

"A SERVICE INSTITUTION"



SERVING THE WEST-SOUTHWEST EMPIRE



ABOUT OUR AUTHORS

THE last time **ALAN HYND** did an article for us he was living in a big apartment high above New York's Park Avenue. Now he is a country squire, having moved his family—bag and baggage—to Fairfield, Conn., in the meantime. Though he has put the city behind him, he has not done so with writing. He's still keeping his typewriter hot.

In addition to articles and fiction, Hynd has authored five books, two of which became best sellers in 1943: "Passport to Treason" and "Betrayal from the East."

THIS MONTH'S short story, "Transition," is by **WILLIAM MARTIN**, whose own story indicates a fair amount of transition when it comes to such things as vocation and location. Until his graduation from Centre College—Danville, Ky.—he called the Bluegrass State his home. But once his sheepskin became a reality, he moved on to New York City, where he became an executive with Macy's. A few years later he left the department store field to turn out copy for *Time*.



Martin, who has now been writing professionally for some 15 years, lives in Palatka, Fla., which he calls his adopted home.

IN COLLECTING material for "How Prepared Is Your Plant?" **DONALD ROBINSON** had to thread his way around the Pentagon's maze of corridors. It was reminiscent of the early years of the second world war when he set up and ran the Army's nationwide labor-morale program to stimulate arms production. Only this time he made his rounds in mufti, not the uniform of a lieutenant colonel.

If finding his way around the defense establishment's nerve center was old hat to Robinson, so was the job he had to do—reporting. For Robinson had started on his journalistic career at the age of 13 when a New York newspaper published

an article by him. Later, after graduating from New York University and Yale's "47 Workshop," he became labor editor and political writer for a New York newspaper. It was in this position that he was tapped by the Army to help mold its labor policies. After some three years in Washington, Robinson spent another two overseas where he subsequently hit the beach in southern France on D Day, served in SHEAF on General Eisenhower's staff and was appointed chief historian for United States Military Government in Germany.

Today, Robinson spends his time writing and lecturing. Among his published works are scores of articles and a book, "Spotlight on a Union."

AS THE son of Ring Lardner, the famous American humorist and short story writer, **JOHN LARDNER** started being exposed to sports about the same time he saw his first typewriter.

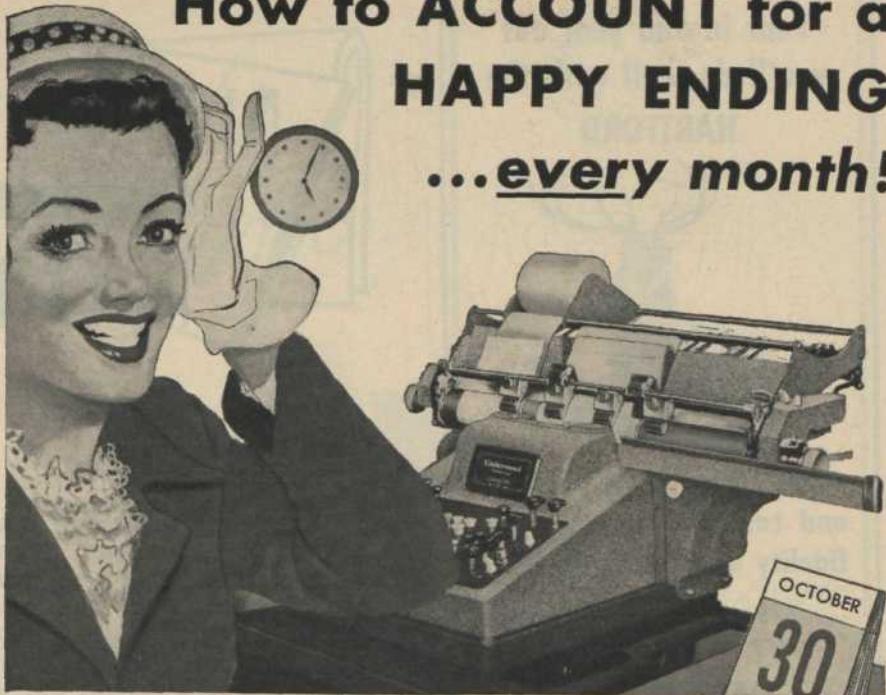
"That would be circa 1918," he recalls, "at the age of six. A conjunction ensued, with which I have been stuck ever since, between sports and the typewriter. There were no professional wizards around at that time—full-time wizards, that is—but I have been listening to amateur oracles for 32 years now, and it was a good, sound preparation."

After working sports side, city side and war corresponding side for the New York *Herald Tribune*, the North American Newspaper Alliance and *Newsweek*, for more years than he cares to specify, he now splits his time among *Newsweek*, *The New Yorker*, and the open market, doing sports, book reviews, play reviewing and just general articles.

AUGUST'S cover painting by **JOHN CLYMER** focuses on a lesser-known, but strictly American sport, skeet shooting. Resembling its English cousin, trapshooting, in many respects, the sport was conceived by a small group of New England gunners before World War I and came to be known as "round the clock shooting." Since then the sport has gained many enthusiasts, undergone improvements, and acquired its present name, skeet—which means "shoot" in Scandinavian.



How to ACCOUNT for a HAPPY ENDING ...every month!



Even at the end of the month, there is no peak load to keep this young lady working late*. *The Trial Balance agrees with the General Ledger Accounts Receivable Control.*

Why?

Because day after day as she posted every debit and every credit, this Underwood Sundstrand MODEL A Accounting Machine automatically balanced each Customer's Statement and Ledger Account.

And, it automatically proved the accuracy of each posting...the instant it was completed.

With this low-cost Underwood Sundstrand machine, this operator posts the Customer's Statement and Ledger Account and prepares the Daily Journal...all in the same operation.

Also, with this machine, she posts the Accounts Payable and prepares her company's Payroll...additional

jobs which are done quickly, with absolute accuracy.

**Adaptable to Your Business—
Large or Small**

Underwood Sundstrand Accounting Machines are now saving days and dollars for every kind of business. They're used for *Accounts Receivable*, *Accounts Payable*, *Payroll Records*, *Stock Records*, *Sales Analysis Records*...and many other applications.

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Accounting Machines...Adding
Machines...Typewriters...
Carbon Paper...Ribbons

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Sales and Service Everywhere

*A happy ending justifies a happy smile. She completed her month-end work promptly and accurately. Not only was a Trial Balance obtained as a by-product of transferring the account balances to the Customers' New Statements, but the Age Analysis was also completed.....all in the same operation on this Model A Underwood Sundstrand Accounting Machine.

Year in and year out
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HARTFORD



—all forms of fire, marine
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See your Hartford agent
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**HARTFORD FIRE
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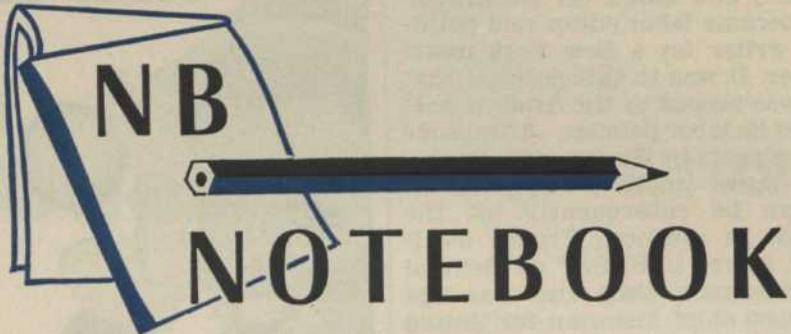
**HARTFORD ACCIDENT
AND INDEMNITY COMPANY**

**HARTFORD LIVE STOCK
INSURANCE COMPANY**

HARTFORD 15, CONNECTICUT

It pays to do business in New York State!

If you sell to business, you'll find 571,400 separate enterprises in New York State—good customers for all kinds of supplies and equipment. Of these, 59,400 are factories—requiring vast quantities of raw, semi-processed and finished materials. Nowhere else are so many business customers available in such a concentrated area. For more facts, bearing on your own business, write today to N. Y. State Dept. of Commerce, Room 151, 112 State Street, Albany 7, N. Y.



Big quarter starts

RETAIL merchants now enter the season of their best volume. These final three months of the year produce the highest average of any quarter. They expect the usual expansion of sales and even see the possibility of added volume due to influences created by the war in Korea.

It is likely, of course, that controls or shortages may change the picture somewhat. Retail opinion at the time of writing, however, holds that economic prosperity and full employment will turn the scales in favor of exceptional business. "Scare" buying started to recede by midsummer but left good plus signs still running for sales comparisons with last year.

Demand and supply problems, nevertheless, have multiplied. On the demand side there is some question about how consumers will react to new and higher prices. Now that fall trade is under way in high volume, sales will be scanned carefully for signs of price resistance.

The supply problem is what might be expected in the light of shortages and rapidly rising costs. Big chain companies are going about their business in normal fashion, confident that their requirements will be met. Smaller retailers must scurry here and there to get on order books. Even some of the big stores are adding to the number of their suppliers. This means duplication of orders and is responsible for some price increases.

Bouquets on labor

WHEN labor matters are discussed in advertising space, the chances are the discussion is an argument. The company takes space to explain its position, and vice versa.

The Doehler-Jarvis Corporation,

manufacturer of die castings, broke recently with this unhappy tradition. Newspapers in three plant cities conveyed congratulations from the board chairman H. H. Doehler to the union executives on the successful negotiation of a five-year contract.

Doehler's letter acknowledged "with appreciation the excellent work done by you and your associates in conjunction with management representatives in concluding our new five-year agreement." The Toledo advertisement was headed: Doehler-Jarvis Grows in Toledo Through Cooperation—Better Jobs, More Jobs, Better Quality, Greater Productivity."

The union reply from Richard Gosser, vice president of UAW-CIO was reproduced—and compliments were mutual.

Preparedness

IN PLANT facilities and know-how, American industry is far ahead of its position when the Japanese struck at Pearl Harbor. At that time there was, of course, the advance in preparations made possible by war orders received from abroad. However, many problems concerned with our own war production still had to be unraveled.

This deficiency will be overcome this time by advanced production engineering. Thus, Charles E. Wilson, General Electric president and former War Production Board chairman, states that his company could produce practically double what it did in World War II. Since 1941, the number of plants has jumped from 61 to 115, not including several operated for the Government. Current employment of 180,000 is about twice the prewar level.

More important still, a Defense Projects Committee composed of senior officers has been functioning for almost two years. It has

acted on 130 different tentative schedules of production, listing more than 1,600 items needed by the armed forces. The idea has been to plan production in sufficient detail to permit immediate conversion to the manufacture of such military supplies.

In short the "skull practice" has been done, and the team just waits for the signals to be called.

Making colors pay

USING the right colors in offices, plants and stores not only pleases the eye but pays off in dollars and cents. The trend toward choosing colors that are correct for functional and scientific reasons and not just because someone thinks they are "pretty" or "go well together" has been under way about ten years in industry.

The color research laboratory of the Sun Chemical Corporation, New York, has developed some facts on the money savings. Thus, a government office adopted new lighting and shifted wall colors from buff to pale green. The employees operate business machines. Their efficiency gained 5½ per cent for an annual saving of \$139.25 per worker under tests supervised by the U. S. Public Health Service.

An eastern transit system lowered accident frequencies by 42.3 per cent for an annual saving per worker of \$13.22. A code devised by Faber Birren, color authority, was used in conjunction with an intensive program of safety and first-aid training.

Work of mercy

THE PICTURE of a grasping and heartless capitalism which our enemies try to draw of our economic system is a creature of their own imaginings. Enlightened self-interest is quite another thing.

Take, for instance, the Metropolitan Life Insurance Company, which rates with A. T. & T. as the biggest business enterprise in the country. Back in 1909, at the suggestion of Lillian D. Wald of the Henry Street Settlement in New York, it started a nursing service as part of a plan to advance the health and welfare of its industrial policyholders.

Up to the present, more than 100,000,000 visits have been made to millions of policyholders at a cost of \$105,000,000. By the early 30's some 7,000 communities in this country and Canada were served by 700 salaried nurses and 800 at-

You be
the judge...



examine the
evidence...
compare new
Burroughs
Adding
Machines
on every
point of
value



He's a good salesman, but—
Good salesmen shouldn't waste valuable time on arithmetic. A Burroughs gives him answers fast.



Electric Adding-Subtracting Machine. Other electric and hand-operated models with varied totalling capacities. As little as 10% down... up to 18 months to pay.

Judge a Burroughs on all points... on appearance... on ease and speed of operation... on features of design.

Look at its smooth, functional styling, soothing color harmony and non-glare keyboard. Try the new square keys that assure a more positive touch... that help give the Burroughs its remarkable speed. Test the solid construction that promises a long, trouble-free life.

On every point—appearance, ease and speed of operation, construction features—you will agree that Burroughs is the better buy—that you'll do better with a Burroughs.

Figures don't lie... idle
No waiting for turns here.
A Burroughs on each desk
speeds up figuring, cuts down
delays.



Customers and errors don't mix
Customers don't like overcharges. You can't profit on undercharges. Avoid both with a Burroughs.

WHEREVER THERE'S BUSINESS THERE'S

Burroughs

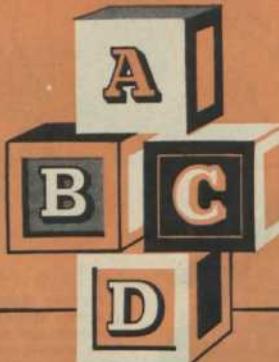


BURROUGHS ADDING MACHINE COMPANY, DETROIT 32, MICHIGAN

Please send me descriptive folder and prices on Burroughs adding machines. NAME _____
 I would like to see a demonstration at my place of business. COMPANY _____
ADDRESS _____

NB-6

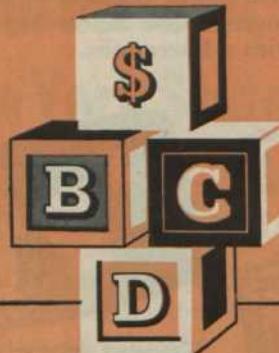
Plan LASTING BALANCE for your business ownership group



A, B, C and D own a partnership or close corporation. Each is essential to its well-balanced operation. For each contributes valuable abilities or investment; all agree on business aims and methods.



See what happens if A dies—or B or C or D! Unless plans have been made and approved beforehand, liquidation or reorganization may be forced immediately. Or—almost equally disastrous—a share in management may pass to inexperienced heirs or complete strangers.



The best prevention is a *buy-and-sell agreement*, drawn up now—whether your ownership group consists of two, three or more members. A Penn Mutual Underwriter will show you a sound way to implement the agreement with a self-completing sinking fund. Under the protection of this fund, the event that creates the NEED for cash will also create the CASH.*

**THE PENN MUTUAL
LIFE INSURANCE COMPANY**

FOUNDED IN 1847

INDEPENDENCE SQUARE, PHILADELPHIA



* *Free booklet, "YOUR BUSINESS" tells the problems of disrupted ownership and ways to meet them. Address Penn Mutual Life Insurance Company, Independence Square, Philadelphia 5, Pa.*

tached to visiting nurse associations and other agencies.

At one time it was estimated that close to half of the annual budgets of the visiting nurse associations were met by the company payments. The company encouraged the employment of qualified nurses. It required good record keeping and cost accounting methods and thereby helped the nursing agencies to operate on a sound financial basis. In short, it played an important part in giving us the best nursing service in the world.

Now it has been announced that Metropolitan will discontinue the service by Jan. 1, 1953, because of changing needs in the health field. Other services are amply available. The mortality rate has been reduced almost half in 40 years.

Dining car red ink

SOMETHING is being done about the "problem child of the railroad industry." This is the dining car. When its gong sounds, the traveler is invited to eat—and let the road lose some more money.

Last year the Pennsylvania Railroad served more than 4,400,000 meals and lost \$4,162,995 on food service alone not counting car equipment, maintenance and other charges. Payroll boosts have been the chief factor in the deficit and the necessity, of course, of keeping diner crews on cars between meal periods. On several trains full crews must stay aboard all night just to serve breakfast.

PRR has been wrestling with the problem, and comes up with some new equipment and ideas. This year and next \$4,000,000 will be spent on new-type diners and in modernizing some old ones. Pre-packaged and pre-prepared foods should afford purchasing economies and save time in the new train galleys.

Menus are being tested and the "single entree" service has proved popular. Experiments are even made in naming dishes. A PRR booklet says Pennsylvania Dutch fried chicken was a flop. Renamed fried chicken, Kentucky style, it became a best seller overnight.

Quick-frozen progress

FOR SPEED of growth several industries will be close contenders for first place in the next few years. Up there in the competition is bound to be the quick-frozen foods industry.

Harold Humphrey, director of research and development of the

Birds Eye-Snider Division of General Foods Corporation, is on record with the forecast that within the next three years this industry will match what it has done in the entire 23 years of its existence. Birds Eye produced only about 1,000,000 pounds of quick-frozen fish in its first year, 1937. Last year the industry put up about 1,000,000,000 pounds of food.

In the beginning, of course, there were the twin difficulties of having suitable lower temperature distribution facilities and of educating the consumer to accept the new products. Now the retail stores are equipped and a great variety of frozen foods finds ready sale. Humphrey believes that half of the orange crop may be sold in frozen form in less than five years.

Salesmen of fortune

UNLESS world events intervene, Samuel Floyd Keener, salesman extraordinary, will be winging his way in South America about now in one of his own planes and decked out in a uniform of his own conception. Last year he covered 50,000 miles, visiting 24 countries. Just before Christmas he came back with \$7,000,000 in orders.

President of the Salem Engineering Company, Salem, Ohio, and a top executive of allied companies in Canada and England, Keener chases down business via the airways of the world. He says the gaudy uniform cuts red tape and reduces the number of questions asked in some countries.

Salem Engineering designs and supervises the construction of various types of industrial plants, particularly steel mills, and trains the personnel for their operation.

Direct mail threat

HENRY HOKE, editor and publisher of *The Reporter of Direct Mail Advertising*, has taken up the cudgel again. This time against Edward Corsi, New York State Industrial Commissioner, who has issued an order which will strike a hard blow at the employment of home typists and those who address letters. Hoke will be remembered for his drive in the early '40's against the misuse of mails by undemocratic forces.

The new order on homework, Hoke contends, was originated and promoted by the United Office and Professional Workers of America, whose membership was revoked by the CIO because of alleged com-

*in 15 minutes
I was out of
business...
even with Fire Insurance!*

"It was a fireproof building... I was insured... then it happened! A match in a waste basket... a careless cigarette... who knows?"

"It was over in a matter of minutes. But when I opened the safe—there were my accounts receivable, inventory records, contracts, the life-blood of my business, *in ashes!* And without those vital records I could not collect fully on my insurance because I could not establish *proof of my loss!*"

Statistics prove that out of every 100 firms that lose their records by fire, *43 never reopen.*

If your present safe does not carry the label of the Underwriters' Laboratories, Inc., *it cannot be trusted to give adequate protection.* Many fireproof buildings have been completely gutted—*vital papers reduced to ashes in seconds!*

Why take chances? Give your business the protection it needs with a Mosler "A" Label Record Safe certified by the Underwriters' Laboratories, Inc., against the hazards of fire, impact and explosion.

Send the coupon today—*now*—for complete details.

The **Mosler** **Safe** Co.

Since 1848

Largest Builders of Safes and Vaults in the World
Offices in principal cities · Dealers throughout the country
Builders of the U.S. Gold Storage Vault Doors at Fort Knox, Ky.

THE MOSLER SAFE CO., Dept. 310
320 Fifth Avenue, New York 1, N. Y.

Please send me:

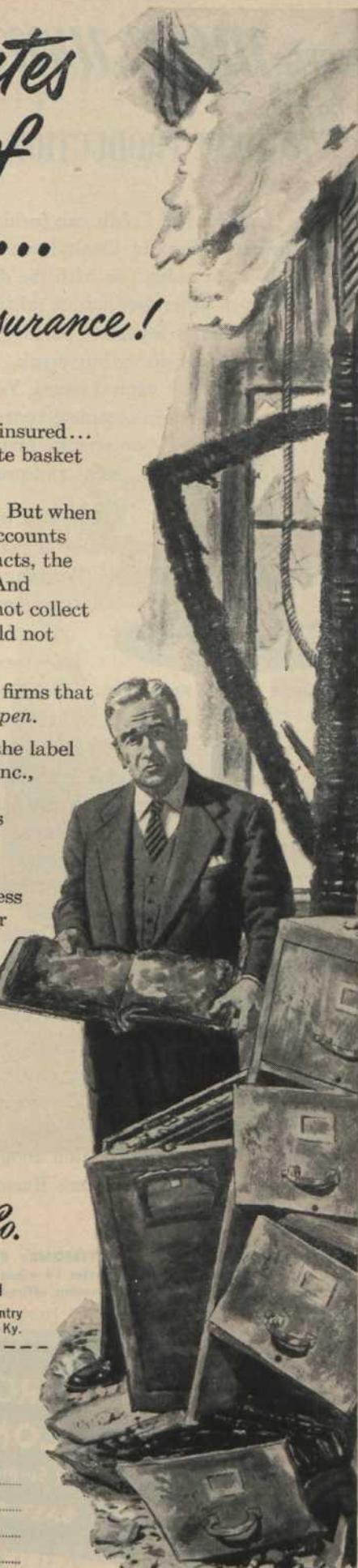
- The free booklet, "What You Should Know About Safes."
- The name of my nearest Mosler Dealer.

Name.....

Firm.....

Address.....

City..... Zone..... State.....



NEED *more working capital*

TO MEET PRODUCTION DEMANDS...CUT COSTS?

Commercial Credit can furnish you with the extra Working Capital you need, yet we do not burden you with the disadvantages of other methods of raising money. We do not become a partner in your business, nor do we buy stock, debentures or other capital issues. You

retain complete control over ownership, management and profits.



HANDLE LARGER PAYROLLS

The cost of our service is well in line with the value of the extra

Working Capital you get. There are no preliminary fees, commissions or other additional charges.

You use Commercial Credit money as long as you need it... but there is no expense (such as fixed interest or dividend

commitments) when you don't need our money. And our one charge (unlike dividends) is a tax deductible business expense.

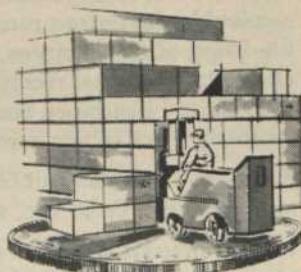
Usually all arrangements are completed and extra money made available within a few days. If you can use more money for any sound business reason, write, wire or phone the nearest Commercial Credit

Corporation office below. Just say, "Send me complete information about the plan referred to in Nation's Business."

COMMERCIAL FINANCING DIVISIONS: Baltimore 2
New York 17 • Chicago 6 • Los Angeles 14 • San Francisco 6
... and more than 300 other financing offices in principal cities of the United States and Canada.



INSTALL NEW EQUIPMENT



FINANCE INVENTORIES



MEET TAX OBLIGATIONS



CARRY MORE RECEIVABLES

munist influence. Some 50 letter-shops have been organized out of a total of 2,500. The regulations in the new order require permits for home typing and similar work and, after March 1, 1951, the shops must not only have an unexpired permit but employ five persons or more in full-time employment on the same kind of work.

Appeals will be taken and court tests made. Hoke argues that typing is not industrial work. He asserts, moreover, that the terms of the order are so broad that even church societies and fraternal orders are barred, technically, from mailing notices to their memberships.

Hatch flies and bugs

"SWATTING the fly" is put into reverse at a laboratory on the outskirts of Wilmington, Del. Du Pont scientists raise about 1,500,000 flies a year and about the same number of aphids, cockroaches and carpet beetles.

Then the swatting begins, with experimental liquids and powders, in the search for the perfect insecticide. Tests determine killing power and the safety factor for humans who handle the stuff. The goal is a chemical that will kill more insects, last longer, cost less and above all be safer to plants, animals and humans.

To perfect "Marlate" methoxychlor insecticide, the company spent more than \$1,000,000 on research over a five-year period. For every product like it that reaches the market, Du Pont figures that about 2,000 compounds are first tried and rejected.

Few farms for sale

AS THE harvesting season passes, it is once again clear that farmers as a group have weathered in fine style the difficulties which usually follow a war. Income has been off a bit and so have farm land prices. But there is no pressure to sell land and little foreclosing.

For one thing, of course, the mortgage debt of the agriculturists is only about half what it was five years after World War I.

In short, farmers went into the last war with their eyes open. With keen memories of what had happened before, they did not load themselves up with obligations and become "land poor." One important factor is that more money has to be invested in machinery today, so less is available for land.

"Perfect Impression!"

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Dear Sir:

The letters you send are important.
They should look important, too.

The distinctive typing and the even,
clear impressions of an Executive* model IBM
Electric Typewriter command attention, lend
grace and dignity to all typewritten work.

Public acceptance proves the IBM
Electric is the world's finest typewriter.
Surely, you'll want to investigate its many
advantages -- almost effortless typing, greater
speed, economy, outstanding results, and
perfect impressions wherever your letters go.

Sincerely yours,



Only one typewriter in the world could have been used
to type the letter reproduced above—the IBM Electric Typewriter,
Executive model. Both this model and the Standard model are
available in a wide choice of colors and type faces.

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Electric Typewriters

* TRADE MARK

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I'd like to see a demonstration
of the IBM Electric Typewriter.

Please send brochure.

Name (please print)

Company

Address



Hottest flame ever produced by man

A FLAME with temperature up to 6000° F.—hot enough to melt the hardest steel . . . that's what happens when acetylene gas teams up with oxygen.

This acetylene-oxygen pair speeds the cutting and welding of metals that go into buildings, bridges and ships.

But that is only one of the many contributions of the remarkably "friendly" acetylene. This gas has a wonderful eagerness to combine with other materials . . . and such unions can create an amazing variety of chemicals and other products.

Here are just a few of the many familiar products based on acetylene and its derivatives . . . cleaning fluid and nail polish, oil and heat resistant "rubber" gloves, DDT, plastic dishes and acetate fabrics. And if your head is beginning to

ache now, just reach for an aspirin, which is really acetyl-salicylic acid.

The people of Union Carbide pioneered in giving the world acetylene—its products and the equipment for its most efficient use. Today they pioneer in the development and production of many other materials . . . for the use of science and industry.

FREE: If you would like to know more about many of the things you use every day, send for the illustrated booklet "Products and Processes." It tells how science and industry use UCC's Alloys, Chemicals, Carbons, Gases, and Plastics. Write for free booklet D.



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PRESTONE and TREK Anti-Freezes • ELECTROMET Alloys and Metals • HAYNES STELLITE Alloys

MANAGEMENT'S *Washington* LETTER

►WANT A PEEK at Government's view of the economic outlook?

Raise your sights. Then boost them some more.

►HERE'S WHAT those who make national economic policy are expecting—

Annual gross product rate (value of all we make and do) of \$350,000,000,000, possibly \$400,000,000,000 to be reached in three to five years.

That compares with present \$285,000,-000,000 rate.

It's five times 1929 production.

It's not inflation effect applied to present record-high level—but estimates include "reasonable allowance" for price increases.

To reach these new heights U. S. business men will increase vastly productivity of present facilities, sharply increase plant, equipment expenditures.

Within five years U. S. plant investment will rise over-all by a third.

War-type economy—war or not—will be long, drawn out. Will set national policies, economic pattern for next 15 to 20 years.

Federal expenditures—mostly for military—will equal 25 per cent of nation's product.

(You can start applying that percentage now. Government spending in fiscal year ending next June will reach \$60,000,000,000, and it could hit \$80,-000,000,000).

Later, when economy hits \$400,000,-000,000 level, federal spending will be \$100,000,000,000 a year.

Armed services will total 3,000,000 men by June—5,000,000 in another year.

Government again is becoming nation's biggest customer. And it will be the most important force in its economics.

Note: Don't make mistake in applying percentages—that 25 per cent to your own products, for example.

Services may take 90 per cent of some things, no per cent of others.

►ADMINISTRATION HOPES to check (but not halt) inflation in these three ways—

Credit controls much stiffer than any you've seen so far.

Allocations and priorities vigorously—not voluntarily—applied to manufacturing levels.

Higher taxes, to siphon off spending

power, help pay military costs.

"Without these three, and all these three, you can't even slow down inflation," is conclusion of one top-level policymaker.

"And price controls at retail wouldn't be worth the trouble of trying to administer them."

►SIMPLE ARITHMETIC tells you that manpower—already tight—will get progressively tighter.

Services will call many more men in next nine months.

Next year's normal addition to labor force was expected to be 700,000.

Now they're headed for the armed services—and so are 800,000 more who will come from present labor force.

What does that mean to you?

That the young man getting out of school isn't coming to work in your shop—he's going into the Army.

It means also that you'll be hiring older men—and some women.

And wages will continue to creep up as you and other employers bid for help in a very tight market.

►TAKE A CAUTIOUS look before you leap headlong into the boom pool.

Remember, there's little uniformity in economic upswings—or dips.

Retailers face fall with stocks greater than year ago. Perhaps they should stock greater caution, too.

Many of their customers have splurged, overbought, will be out of the market temporarily.

And upswing of industrial production such as we're in now doesn't always carry consumer business level with it.

Look at 1942, for example. There's some similarity with situation now.

U. S. was in first year of war—and taking a pasting. Production was rising rapidly. There'd been a burst of scare buying in consumer lines.

At start of 1942 department store sales and inventories were about even. Both were 150 on Federal Reserve index (1935-39 equals 100).

By midyear inventories had soared to 205—and sales had dropped to 135. A 70 point spread developed in six months.

Stocks accumulated in 1942 didn't move out until well into the following year.

Stores' inventories didn't hit bottom

MANAGEMENT'S *Washington* LETTER

until May of '43—when the little depression among suppliers ended.

Note: Sales graphs invariably show sharpest drops follow sharpest rises.

In the middle of this year sales sent graph lines up for a 90 point rise.

►WILL WAGE BOOSTS bring higher auto prices?

Auto makers "hope not." But while they hope, they find materials costs as well as payrolls are rising sharply.

Government economists say auto prices need not rise, that high volume absorbs higher costs.

But let's look at latest quarterly report of International Harvester. It shows what's happening to manufacturing costs.

Harvester reports nine months' sales of \$722,860,000, new record high, compared with \$704,644,000 year ago.

There's the volume.

But at the same time net income fell from \$48,910,000 to \$45,534,000.

And during the period costs jumped at an annual rate of \$60,000,000.

Here's how: Pension, welfare funds added \$13,500,000 a year to costs.

Wage increases offered (to employees then on strike) added \$16,000,000.

Materials costs on annual rate were up "at least" \$30,000,000.

Altogether cost increases just about equalled Harvester's 1949 profits of \$61,270,000. Which caused executives to observe that:

"It is apparent that our only alternative, if earnings are not to be depleted to the vanishing point and the company's capital itself endangered, is to increase prices of our products."

►THERE'S LOTS OF TALK about war on a pay-as-you-go basis. But is it possible?

Rookie (Army, Navy or Air Force) gets \$75 a month plus \$76.50 in allowances. That's \$1,818 a year. Generals, admirals get \$15,619.

Let's say \$2,500 is average. At that rate payroll (and allowance) cost of a 3,000,000 man armed service is \$7,500,000,000 a year.

Which is \$3,000,000,000 more than anticipated revenue from new income tax law. And which doesn't take into consideration far more costly equipping, supplying the services.

►LATEST EXPANSION in synthetic rubber program reflects Government's evaluation of Far Eastern outlook. Production schedules call for 827,000 tons next year—within a few tons of wartime peak.

Made-rubber expansion will squeeze styrene, in short supply before new wartime demands. It's used in plastics.

Two synthetic plants being reactivated will use alcohol (instead of petroleum) to make butadiene—tightening alcohol supplies.

Note: Government order restricting rubber production for civilian needs was made with the industry's consent and recommendation. Because of supply.

►WAR BRINGS SHARP change in election outlook.

Battle reversals will make voters swing away from party in power—"the party that got us into it." That's fear of Washington Democratic strategists.

"The only thing that could save an awful lot of Democratic candidates is a string of big victories."

There are bound to be at least eight new faces in Senate.

Defeated in primaries were Pepper of Florida, Graham of North Carolina, Gurney of South Dakota, Thomas of Oklahoma, Taylor of Idaho. All except Gurney are Democrats.

Downey of California, Darby of Kansas, Withers of Kentucky didn't make primary race.

In the House 33 members of Eighty-first Congress won't be back. Four were defeated, others didn't run in primaries. Of the 33, 14 are Democrats, 19 Republicans.

►YOU'RE GOING TO GET an excess profits tax law—and most of the headaches that went with the last one.

Internal Revenue experts for months have been seeking ways to simplify excess profits provisions. But they have little hope of accomplishing much.

"You can't simplify something that contains all the philosophy of economics, law and government," said one. "The whole subject is too complicated to be simplified."

Internal Revenue continues to get claims for adjustment of World War II excess profits taxes.

Claims filed so far total 54,000. They ask refunds of \$6,000,000,000.

Most are based on changes in character of business and products, capacity increases over tax base period—all made necessary by war.

►STEEL PRODUCTION IN U. S. is four times Russia's—but figures don't win

wars. What's done with the steel is what counts.

Military needs, both direct and indirect, will take only about 10 per cent of nation's steel production in coming year.

The other 90 per cent—90,000,000 tons of steel—goes into automobiles, industrial equipment, buildings, other effects of high living standard.

Russia's 1950 steel production will be about 25,400,000 tons.

But Russian civilians will get little of it.

Despite Reds' comparatively small industry they may be putting twice as much as the U. S. to military use.

► REMEMBER THE BILL passed by the House cutting a billion off excise taxes?

That was H. R. 8920—and it's going to cost you money.

House passed 8920, sent it to Senate. Then came Korea. So the Senate amended the House bill by—

Throwing out the excise tax cut, adding on the \$4,500,000,000 boost in personal and corporate income taxes.

Constitution gives House exclusive right to originate tax measures.

But the current law comes from the Senate. It's constitutional because it's an amendment of H. R. 8920.

The number is all that's left.

► YOUR BACKLOG isn't as big as it looks.

Multiple ordering is back again.

Seekers of hard-to-get items place orders in half a dozen places.

Merchants find as few as half their customers are accepting delayed delivery on refrigerators, television, laundry machines, stoves.

► WATCH OUT for distortions that accompany shift from peace to war economy.

Your plans may be upset by unexpected tangent results of the shift.

Full economy, record-high payrolls may help your business—and may not.

Men being called into service in quickly increasing numbers, for example, aren't going to buy suits, shoes, other civilian goods.

That will take a big bite out of business.

But still bigger bite may result from delayed buying by men who just think they may be called.

Watch for such offshoot effects.

► PRICE TAGS on men's suits are lower while wool costs hit new highs.

But that won't last. It's caused by fact that fall suits in retail racks today were ordered early last spring,

MANAGEMENT'S *Washington* LETTER

made up before wool prices skyrocketed.

By midwinter higher-priced materials will push up tags on men's, women's wool clothing—by \$5 to \$10 per suit or coat.

► HIGH HOPES for new national transportation policy fade fast.

For nearly four months carriers testified before Myers subcommittee of Senate's Interstate Commerce Committee.

Result: Inquiry staff is swamped with library of testimony. But most of it is long prepared statements of transport officials.

Very little of it records expert cross-examination, exploration into user charges, subsidy payments.

And much of it is blasting directed against competing forms of transport.

Transport experts who have watched inquiry say result will add up to zero.

► YOU'LL GET 37.3 pounds of meat in the last three months of this year, if you're average.

That's a pound more than a year ago. But this slight rise won't keep up with sharply rising consumer demand.

So price will go up on the larger supply, not down as it does usually.

► BRIEFS: Air Force overhauls 350 jet engines monthly, at a cost of \$3,099 per engine. . . . Freight car shortage will get much worse (as grain crops, industrial materials fill cars) before it gets better first of the year. . . .

Withholding tax collections a month ago were running 25 per cent above a year ago. . . . Denver & Rio Grande's crack train "Prospector" was run from Denver to Salt Lake City on diesel oil mined and refined at Bureau of Mines' model shale oil plant at Rifle, Colo.

. . . CIO's Murray may drop guaranteed-wage demand on steel, let the times guarantee wages, settle for more cash.

. . . West Coast aircraft makers won't hit their production stride until sometime next year—but they're having trouble hiring enough people to lay out the work. . . . Defense Department announces fixed-price contracts without price redetermination provisions will be used whenever practicable. . . . Rolling

stones: Americans have moved into 4,-300,000 new homes since war. But they've bought four times that many new cars.

"...yes, and it gives
information that helps
make more money!"

"This machine
certainly
saves time!"



NATIONAL MECHANIZED ACCOUNTING PROFITS YOU IN TWO IMPORTANT WAYS

1. An exclusive combination of time-and-money-saving advantages — never before combined on one machine — enables this new National Accounting machine to cut accounting costs so sharply that the *savings often pay for the entire equipment within a year!* Savings then run on, year after year, as handsome profit.
2. It also gives more money-making information about your business — facts most business men have always wanted, but many never had. Employee relations

are improved. There's a saving in stationary costs. Records are up-to-the-minute.

A small or medium-size business can handle *all* its accounting on *one* National Multiple-Duty model. Larger concerns use batteries of these machines to handle specific jobs at minimum cost — and, during peak-load periods, shift jobs between machines to cut costly overtime.

Let our representative check *your* accounting set-up, and show you how much National Mechanized Accounting will save.



Get this **FREE**
20-page booklet
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TRENDS



OF NATION'S BUSINESS

The State of the Nation

IN THIS autumn of 1950 the crescendo of domestic politics is rising against an international background that grows increasingly grim. A scheduled election is about to coincide with an unscheduled crisis. Much of the political uncertainty in the minds of many voters is traceable to this juxtaposition.

It is a situation in which the citizen finds it difficult to exercise his franchise rationally. Emotion rather than reason is likely to determine his vote. Some tend to conclude that in a time of danger it is proper to rally behind the Administration. Others feel it intolerable to endorse those who steered us into the perils with which we are now beset.

Both of those reactions are natural, but both are oversimplified. And the trouble with oversimplified thinking is that it so easily reduces itself to absurdity. "Support the President" can be equivalent to saying that if an Administration leads the nation to the brink of disaster it deserves a vote of confidence because of its ineptitude. On the other hand, it is equally irrational to conclude that the greater the problems of a President, the more desirable it is to hamper his efforts with a hostile Congress.

Those who do not trouble to vote, and those who automatically follow the Democratic or Republican party line, will be undisturbed by this



Felix Morley

dilemma. Others will be unable to resolve it and at the last moment will be swayed, either to endorse or to oppose the Administration, by factors as irrelevant as the character of the news on the morning of Nov. 7.

But all conscientious citizens, and they are in a position to exercise the balance of power, will want to reflect a little more deeply on their civic responsibility in this crisis election. The ballot is the symbol of that responsibility in our representative

republic. Our institutions assume not merely that the franchise will be widely exercised, but also that it will be exercised with conviction.

• • •

In all the deliberations of the men who wrote the Constitution there is no direct answer to the question of how the voter should cast his ballot in time of crisis. That is not because the question requires a complicated answer. Under the two-party system to which we adhere, the vote must either support the party in office, or the one in opposition. Mechanically, it is as simple as that.

The founding fathers were well aware that periodic elections would on occasion coincide with periods of grave national danger. But one may read through the debates at the Constitutional Convention of 1787, and all the Federalist Papers, without finding anything more than broad



Hamilton asserts flatly (The Federalist No. 72) that: "A change of the chief magistrate, at the breaking out of a war or at any other similar crisis, for another, even of equal merit, would at all times be detrimental to the community." However, one could paste these maxims on both sides of a hat, and still approach the polls in uncertain mood next month.

There are two major explanations for the failure of our constitutional architects to consider the problem of meeting strains imposed on the political structure by crisis elections. In the first place, James Madison and his colleagues were not party men and were indeed highly critical of party government. George Washington, in The Farewell Address, warns "in the most solemn manner against the baneful effects of the spirit of party." And the Father of his Country concludes by hoping that his wise words "may now and then recur to moderate the fury of party spirit." Men who had spent their lives in the arduous effort to found and unite the nation were naturally opposed to any internal dissension that might seem to threaten their great achievement.

Furthermore, the founding fathers were well aware that the success of their work did not depend primarily on the political machinery they devised, but rather on the individual integrity and capacity of what they liked to call "posterity." All the political writing, during the early days of the republic, emphasizes the profound personal responsibility of the American citizen. In public, as in private, affairs he is expected to make his own decisions, under the guidance of God and his own conscience. Indeed, on so epic a subject as the adoption of the Constitution itself, Hamilton concludes the Federalist Papers by saying:

Every man is bound to answer these questions to himself, according to the best of his conscience and understanding, and to act agreeably to the genuine and sober dictates of his judgment. This is a duty from which nothing can give him a dispensation.

• • •

This "duty from which nothing can give a dispensation" has on several occasions come squarely before the American electorate. Perhaps the most notable instance was on Nov. 8, 1864, when, at a crucial stage of the Civil War,

generalizations on the subject.

Madison advises us (The Federalist No. 52) that: "Where no other circumstances affect the case, the greater the power is, the shorter ought to be its duration." On the other hand,

Lincoln stood for re-election, with Gen. George B. McClellan as his Democratic opponent. That was a campaign in which "the fury of party spirit" raged unbridled at a particularly dangerous time. Nothing then infuriated the Democrats more than the old adage about the risk of "changing horses." Campaign literature of the period describes how outraged Columbia visited the White House to condemn "lank Abraham," concluding her indictment by crying:

I have kept an old donkey for nearly four years,
Who brings me but scorn and disaster and
tears!

I vow I will drive a respectable team
Tho' forced to swap horses when crossing a
stream!

Yet, in calm retrospect, there are few living Americans, North or South, who will say that it would have been better for the country, or for Columbia's repute in the world, if Lincoln had been prevented by the voters from delivering his second inaugural address.

Another instance seems to show the medal in reverse, though it is perhaps still too recent to permit final judgment. On Nov. 7, 1944, Franklin D. Roosevelt, then an ill man, came up for re-election, for his fourth term as President. He won, and three months later, when physically and mentally exhausted, concluded at Yalta the agreement with Stalin that led by a direct and logical sequence to the war in Korea. On his return, six weeks before his death, President Roosevelt told Congress that "never before" had Soviet Russia and the United States "been more closely united—not only in their war aims but in their peace aims."

It may be asserted without partisanship, in the light of the present, that it would have been better for this country and the world if Mr. Roosevelt had not sought re-election in 1944.

But no advice as to how to vote next month can be given without incurring the charge of partisanship. And no advice should be given, if it would in the slightest degree tend to remove from any voter his paramount responsibility to decide for himself, "according to the best of his conscience and understanding"—in that order.

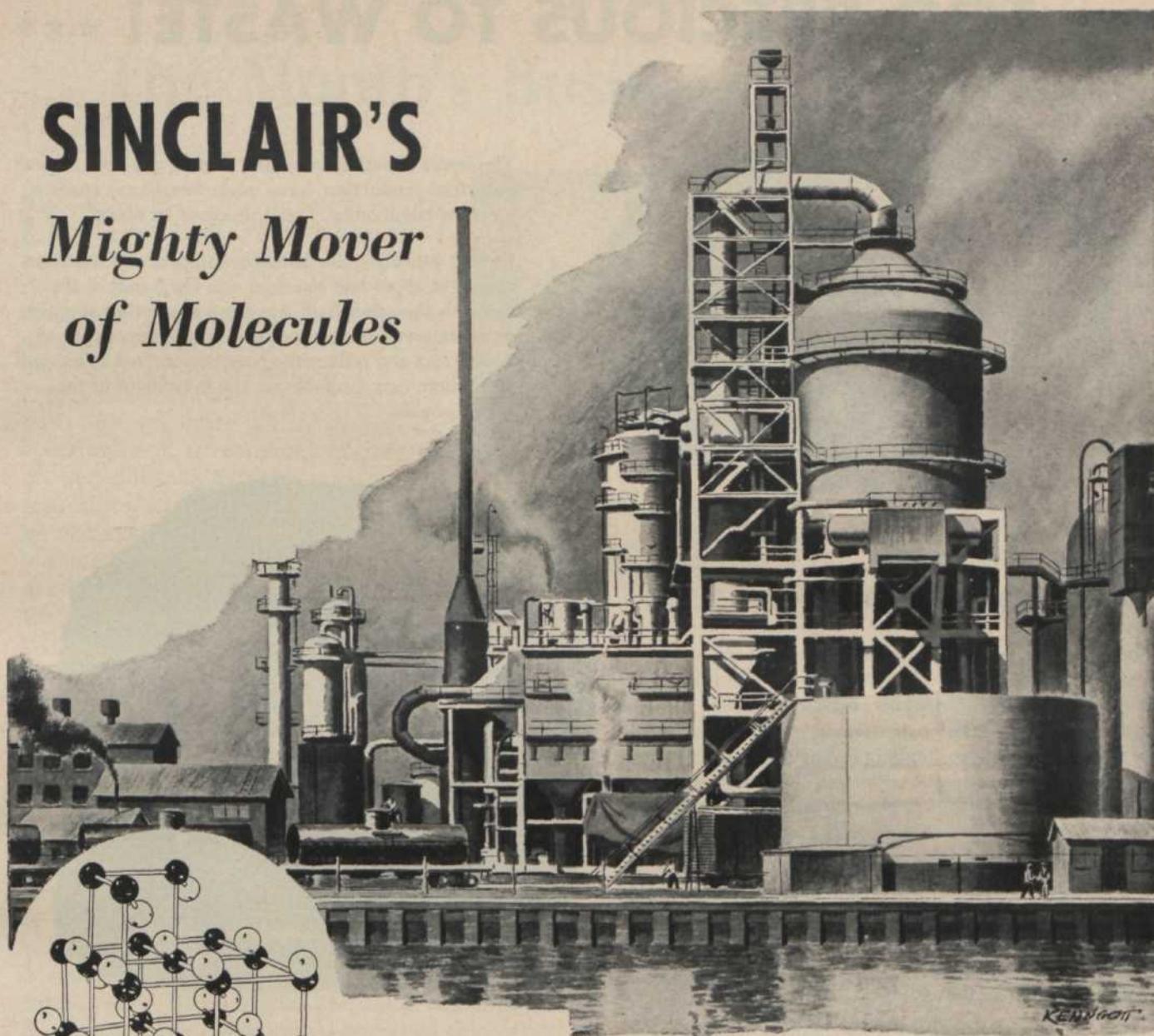
This is not a presidential election, now coming up. It is an off-year, and because of that all too many probably will not even take the trouble to vote. Some, as in the District of Columbia, will be disfranchised in a manner that strains our claim to be a democracy.

But something more than half the electorate will go to the polls next month with realization that they will determine the Congress for one of the most critical periods in American history. It is a solemn responsibility and also, for every enfranchised citizen, "a duty from which nothing can give him a dispensation."

—FELIX MORLEY

SINCLAIR'S

Mighty Mover of Molecules



Molecular model demonstrating the crystal structure of a catalyst used in petroleum refining.

This complex giant, the "cat cracker" that towers 220 feet above the East Chicago (Indiana) Refinery, is one important reason why Sinclair gets 60% more gasoline from crude oil than was possible 30 years ago.

This giant's official name, Fluid Catalytic Cracking Still, is a shorthand description of its method and purpose. It refines petroleum by taking big hydrocarbon molecules and cracking them up into little ones.

Sinclair's East Chicago "cat cracker" is the end result of millions of dollars' worth of engineering experience. Every element in its design was first tested on pilot plant scale at the Company's Re-

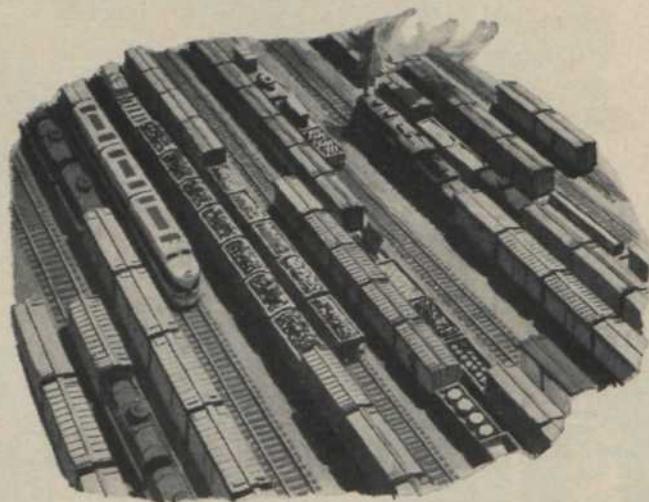
search Laboratories. A model of compactness and efficiency, it has a capacity of a million and a quarter gallons a day.

Even this, of course, is only a fraction of Sinclair's total refining story. In six great plants located strategically throughout the country, the refinery "runs" approach four billion gallons a year . . . another reason for Sinclair's leadership in the petroleum industry.

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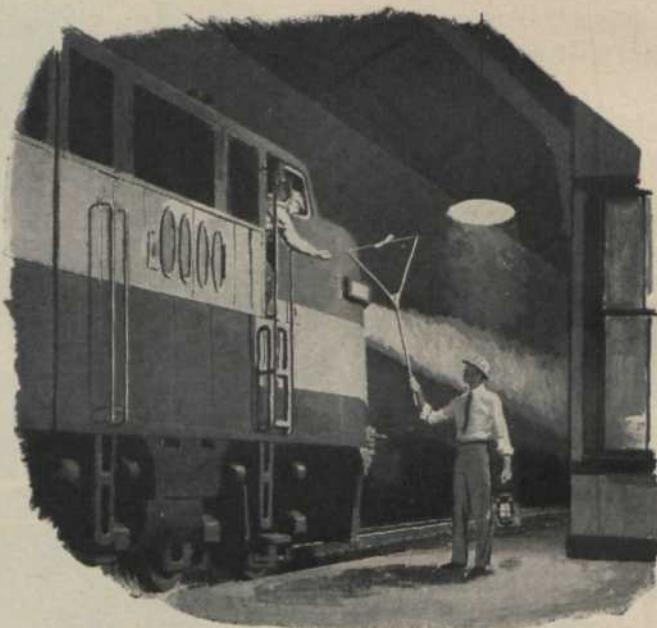
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WASHINGTON 6, D. C.

The Month's Business Highlights

BUSINESS in all of its ramifications will be affected profoundly by the policies adopted in raising the money needed for the war emergency. Officials who put the country's welfare ahead of politics are insisting that the defense program be financed in a way that will contribute least to inflation both now and later. Curbs on private spending and investment, as well as on non-military expenditures of federal, state, and local governments will be necessary.

Liquid assets of businesses and of individuals are so great, along with possibilities for speculation and credit expansion, that existing inflationary pressures easily could snowball. Rigid economy in spending public funds is essential in reducing the spread between government receipts and expenditures. Expenditures for the farm price support program, for housing and for postponable public works could be reduced.

The Treasury is expected to profit from its experience during World War II and hold at a minimum the volume of securities made available for purchase by banks. Such securities can be sold to the Federal Reserve and so made the basis of multiple credit expansion. Government borrowing from the banking system is highly inflationary. If securities are made attractive to non-bank investors money is absorbed that otherwise would be spent on current consumption or on new private investment. Conditions can be prescribed that will discourage early redemption of bonds. Redemption would be allowed, but at a penalty. Bonds similarly limited could be made available to institutional investors. Bond issues providing inducements to hold would contribute greatly to stability and reduce the extent of the Federal Reserve system open market operation. Thinking in Washington is along those lines.

Any failure to use available weapons in the attack on inflation sells down the river the provident part of the population. That group has accumulated nearly \$200,000,000,000 in the form of savings bonds, life insurance and in savings deposits. If the purchasing power of those dollars is allowed to shrink materially it will discourage thrift and work a hardship on those who have been frugal. The needless degree of inflation of the past few years already has had a depressing effect on thrift. The rate of savings has slowed down — a marked change from the rate during



Paul Wooton

and immediately following the war.

Even as it is, the record backlog of savings that now exists is three times that of prewar and is one of the great elements making up the strength of America. Taking the country as a whole the favorite forms of long-term savings are United States savings bonds and life insurance equities. They account, in relatively equal amounts, for about 60 per cent of all savings. Bank deposits follow with savings and loan shares next. Only

two per cent of the nation's savings are represented by postal savings.

• • •

Effects of inflation on war costs attract more official attention than the shrinking of the individual consumer's dollar. When compared to costs in World War II, the increases in the prices that must be paid for military equipment and supplies are striking. Labor cost is the big factor, but other expenses, too, have mounted. On many war contracts it is necessary to work overtime. Time and a half and double time run up labor costs rapidly. Incisive offsetting action must be taken to prevent more inflation.

Since it took practically all productive capacity to meet civilian requirements before Korea, it is plain that productivity cannot be increased to the point where both war and civilian needs can be supplied. This means that there will be an accelerating decrease in the flow of consumer goods. One of the problems is to insure an equitable distribution of the smaller total.

Inflation is an over-all sales tax. Some of the lawmakers who cry loudest against a sales levy also oppose the steps necessary to control inflation. An out-and-out sales tax can exempt necessities, but there are no exemptions from the tax inflation levies. It falls on all values and is discriminatory in that its impact is heaviest on those with fixed incomes or with lagging salaries and on the poor who must spend all they make for necessities. Moreover, it promotes speculation.

It encourages flight from the dollar into





goods and into real property. Speculators withdraw goods from the market so as to sell them later at higher prices. Inflation creates and covers up unsound positions which cause catastrophe later when the spiral starts downward. It is just as necessary for our strategy to be good enough to prevent inflation as it is to devise plans that will defeat the enemy in the field. Were Russia to start encroachment on western Europe, control of inflation still would remain necessary for the preservation of our type of economy.

• • •

To reduce the cost of war and to equalize the sacrifices that will have to be made on the home front, it will be necessary to work out taxes scientifically and to regulate the flow of goods. A properly drawn tax bill need not discourage enterprise. In time of danger people expect to pay heavier taxes. An increase in personal income taxes is logical, but it could have been used more effectively in meeting inflation had the exemptions been lower and the progression stiffer in the lower brackets. The tax on corporations has imperfections and it is being relied on unduly because of the ease of administration and collection. There is no greater fallacy than to expect to finance the war from taxes on wealthy individuals and on business enterprises. Business will be helped by the amortization provisions in the new law.

Renegotiation is a partial approach to the problem of taking the profit out of war, but an excess profits tax is regarded as a political necessity. Selective excise taxes are effective in limiting private purchasing of articles that use critical materials or which absorb labor needed for more essential production. Fiscal and monetary checks on inflation work slowly. More direct controls work faster, but without adequate monetary supervision these soon become unenforceable and black markets develop.

The public is resigned to making sacrifices, but it has a right to expect the Government to make them no heavier than they need be, and that the Government make sure that the burden is distributed so as not to discourage production.

Business, as never before, will be influenced by the Government's world policy. Competition with the communistic system makes it imperative that we maintain prosperity here and in the freedom-loving nations. Nearly all agree it is essential that the highest possible living standards be maintained in the free world. Capitalism has to do

more for the masses than does communism. That should not be too hard to do if we have the political courage to prevent inflation. It is just as important in this struggle for the minds of men to maintain economic strength as military strength.

• • •

There already has been an upturn in the volume of non-bank purchases of government securities. That may be due to the uncertainties that have existed since June 25. Such investments may be temporary. Once the future becomes clearer they may be sold to banks in favor of higher yield non-government securities.

Relatively little opposition against credit controls has been voiced. Lack of opposition was due, in part, to the apprehension that had arisen before Korea to the extent and pace of credit expansion and to the inadequacy of the screening of applicants for credit. Real estate debt particularly was getting out of hand. Not only was it committing future income in a way that would have a devastating effect on consumer expenditures in case of a downturn, but it was distributing credit resources in an inequitable way.

In the effort to beat the gun most areas show a decided upturn in bank loans. The increase is accounted for principally to supply funds for heavy buying in anticipation of controls or to the shrinkage of supplies that would follow the conversion of production facilities, plus the desire to buy when indications point to higher prices. Not only did loans for inventory grow but the turnover in deposits increased. The increase in the velocity of deposit turnover is equivalent to an increase in the money supply. A factor in the expansion of demand deposits has been the need to maintain larger cash reserves to meet increased wage rates, and pension provision and in anticipation of having to pay higher prices. Larger bank balances and an increase in the rapidity with which they are used are manifestations of the changing conditions that surround the conduct of business transactions.

As bills go, the control measure passed by Congress is not too bad. Powers authorized are as well safeguarded as could have been expected. The test will come in the manner the new law is administered. Voluntary controls are not likely to last long if the war intensifies.

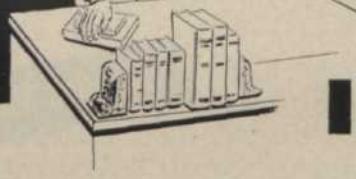
A study of the long range problems of economic stability reveals that the postwar rate of capital growth has been only slightly more than in the 1909-1928 period. It has failed since the war to keep pace with the gains in corporate profits. It is of great importance to the nation for the economy to expand sufficiently to take care of population increases and to give assurances of employment to those willing and able to work.

—PAUL WOOTON



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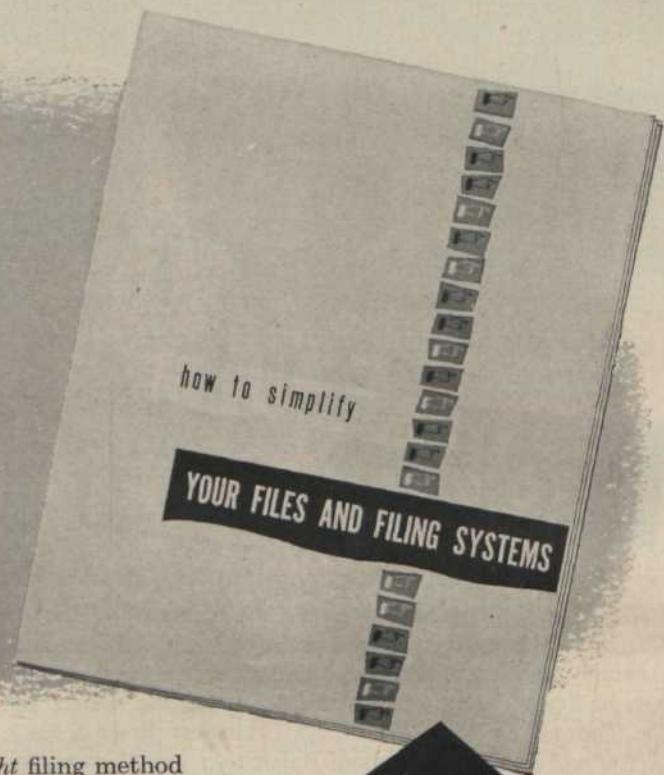
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Washington Scenes

THE POLITICAL situation can be summed up in a word—fluid. Those who see it that way, and they include some of the sharpest political minds in Washington, believe that the outcome of the 1950 congressional elections could be determined by events in the last two weeks of the campaign. They believe also that Korea will dwarf all other issues.

Most of the claims we have been hearing in political circles have had an "if" tied to them.

A bullish Republican, for example, might claim both the Senate and the House for the G.O.P., but with a proviso—"if the election were held today." This is foolproof. If the G.O.P. does take both houses, he is a hero; if it doesn't, who can say it wouldn't have taken them back in August or September.

Bill Boyle, the Democratic national chairman, gives himself a similar out. Standing in the White House lobby, Boyle told a group of us that "Jumping Joe" Ferguson would be a runaway winner over Sen. Bob Taft in Ohio—"if the election were held right now." That, however, was long before the leaves began to fall.

Politics is a maddening business for the impatient, for those who like things either black or white, or who demand a yes or no instead of maybe. Adding to the annoyance is the fact that the politicians themselves can be as wrong about a particular situation as anybody else, as was shown so eloquently in 1948. Just the same, since it is their fortunes that are now on the line, one naturally looks their way to see how the wind is blowing.

For most of the summer, the Democrats in Congress were very much down in the mouth. The news from Korea was bad. Not only that, but the Democrats found themselves on the defensive as their Republican foes cried out against the Administration's bad guessing and its fumbling and blundering in the field of foreign policy. Some Democrats, sensing the wrath of their people at home, joined in the assaults on two of Mr. Truman's Cabinet officers, Acheson and Johnson.

The Republicans, for their part, felt that they had at last hit on an issue that really moved people. And that, it was agreed, was more than could be said for their pre-Korea issue, "Liberty versus Socialism."



Edward T. Folliard

A perceptible change came over the Democrats as the situation became less ominous in Korea. They were still worried, but at least they weren't without hope. Time, they told each other, was on their side. Time would bring a continuing build-up in Korea; would bring Turkish and other United Nations troops to the scene to reinforce our own, and, finally, bring a route of the North Korean Communists. They hoped it might happen before the American voters went to the polls.

But then there were the imponderables. What if communist China decided to intervene in Korea? What if Russia herself decided to intervene?

Some authorities on Russia—none like to be called "experts"—thought that a Russian diplomatic move might be forthcoming if their Korean puppets began taking a real beating. They suggested that the Kremlin might ask for mediation, hoping to get the best terms that were available to them.

All these imponderables and possibilities have been in the minds of those who see the political picture as fluid, and who talk of a wide-open situation right through the campaign stretch.

The idea of an election being determined in the last two weeks is altogether contrary to Farley's Law. Big Jim Farley used to say that by mid-September (or maybe it was mid-October), it was all over but the shouting. He figured that by then the voters were "set," and that no amount of oratory or ballyhoo could change them.

Of course, that may have been the way it was for Jim, when he was running the show for Roosevelt. But it certainly wasn't that way in 1948.

It now appears to be a fact, unassailable and incontrovertible, that President Truman won his victory in the month before the '48 election; won it by hard work, plain talk, and a courage that scorned what the polls were saying. A revealing article on this, written by Stanley Frank, appeared in the February issue of *NATION'S BUSINESS*. It told how the red-faced pollsters, trying to find out where they went

TRENDS



OF NATION'S BUSINESS

TRENDS



OF NATION'S BUSINESS

wrong, made a check after the election. This showed that one out of every seven voters was undecided two weeks before the election, and that 75 per cent of them voted for Mr. Truman. The figures, projected, meant that Mr. Truman

swung 5,250,000 votes in the last two weeks—and his final margin was 2,136,336.

• • •

That '48 election, incidentally, throws a long shadow. Robert C. Albright, the Washington Post's chief correspondent at the Capitol, discovered back in August that some Republicans actually were afraid that their party would capture both houses in November. Astonished, he asked why. Well, they said, what good did it do the G.O.P. to win control of Congress in 1946? They thought it meant that they would annex the White House in '48. Instead, Mr. Truman picked out the Eightieth Congress as his No. 1 issue, won on it, and then exclaimed that the Republican victory of '46 was the biggest political break he ever got.

Wasn't it possible, these Republicans suggested, that history might repeat itself, and that Mr. Truman would blame all the nation's troubles on that awful Eighty-second Congress? And wouldn't it be better, they asked, if Mr. Truman keeps his own Congress, so that the issues would be clear in '52?

Leading G.O.P. strategists called this "defeatist" thinking, and moved to put a stop to it.

"We've got to play this one to win," said Rep. Charles A. Halleck (Rep.) of Indiana. "Our job then will be to nominate a Republican for President in 1952 who will fight for the Republican record."

It seems likely, barring the emergence of another Willkie, that the election next month will spotlight the chief contenders for the Republican presidential nomination in '52. The man who will be watched above all others, no doubt, is Taft. If he is to have a chance for the greater prize, he not only has to win another six-year term in the Senate; he probably has to win it decisively.

Gov. Earl Warren almost certainly will touch off a Warren-for-President boom if he beats Jimmy Roosevelt in California. His friends don't believe that he ought to be blamed for the G.O.P. strategy in '48, considering that he was the No. 2 man on the ticket and was taking orders from New York.

Another who will be watched closely is Gov. James H. Duff of Pennsylvania. He is trying to move onto the national stage by taking over the

seat of Sen. Francis J. Myers, the Democratic whip. If he succeeds, "Big Red," as they call him, will be a force to reckon with in the G.O.P.

And then there is Gov. Thomas E. Dewey of New York, who has changed his mind and now is running for a third term. A lot of people hereabouts think that Dewey still is the ablest man in his party. They have assumed that he was washed up so far as the presidential nomination is concerned, but it looks as if Dewey may not agree with them.

Getting back to Congress, it is hard to see how next month's election can have any great effect on the general legislative situation. The overriding aim since late June has been to expand the nation's armed strength and that of its allies. The Eighty-first Congress did everything the White House asked of it with respect to arms and controls—everything and then some. It refused to swallow such Fair Deal reforms as Taft-Hartley repeal, the Brannan plan, and compulsory health insurance. The Eighty-second Congress is expected to be just as zealous about arms expansion, and just as apathetic about Fair Deal reforms. The only thing that could change this prospect would be a Democratic sweep, which would astonish a lot of people and the Democrats most of all.

• • •

Korea has, of course, completely altered 1950 campaign tactics.

The most spectacular turnaround has come in the field of taxation. Many candidates, Taft among them, are advocating higher taxes and a pay-as-you-go rearmament program. Ordinarily, this would be regarded as suicidal. However, this is no ordinary year, and neither are the voters in any ordinary frame of mind. They want a strong America, and they seem to be willing to pay for it—on the barrel head.

This represents a really tremendous change in the United States. In the Treasury Department are old World War I records which measure this change. They show that Pres. Woodrow Wilson was advised that it would be dangerous to tax the people for more than one third or one fourth of the running cost of the war in 1917-18. Wilson bowed to that judgment. In World War II, taxes brought in about half of what the Government spent at the height of the conflict.

If it is possible, the Administration hopes that this time the full defense bill can be met by taxes. That would mean a number of tax boosts next year, piled on top of those already authorized. Business organizations, working with the Treasury, are urging such a hike, bearing in mind the stability of the dollar and the danger of any further increase in the stupendous national debt.

—EDWARD T. FOLLIARD

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WHEN WAR TAKES YOUR EMPLOYEES

By JOHN W. WHITTLESEY

THE potential loss of employees to the armed services is one of the biggest immediate problems facing business men. Already the estimates of the number of men needed to carry on the war in Korea have been revised upward several times. Selective Service quotas have been increased. More and more reservists and National Guardsmen are being called. Universal military training for 18 and 19 year olds is a distinct possibility in 1951.

Whether you're a manufacturer with several hundred employees or a retailer with only three or four, you face a manpower replacement problem or even a worker shortage in the near future. Although as this is written, government officials decline to predict whether we'll see complete mobilization, all warn that business must be ready to operate in an ever-tightening labor market.

Were the problem confined to determining which employees are likely to be drafted or called with the reserve or National Guard, business would have little to worry about. Getting the answer to that question is a simple matter of a personnel inventory which should be taken at once, if not already started. But the induction of an increasingly large number of men into the armed forces will create collateral problems which will bring additional headaches.

The lure of high-paying jobs in war plants will make it harder to hold workers not subject to call. The possibility of competitors' raiding of personnel can't be dismissed. Potential wage freezes, which are authorized in recently passed legislation will cause grumbling. Higher labor costs and less-



WIDE WORLD PHOTOS

WITH AN ever-tightening labor market ahead, business men can take steps now to prevent being caught short

ened productivity are almost certain. Whether it's devising methods to cope with increased absenteeism or installing rest rooms for women workers, business will have plenty of personnel problems.

What is our over-all manpower situation? Will things be tougher than in World War II? What can a company do now to head off a shortage? Where are the workers coming from? Will getting a war contract ease my manpower situation? What about the retail and service trades which can't engage in war production? These are some of the questions that business men

would like to have answered.

Before tackling these questions let's look at the national picture.

The pool of unemployed now is only about one third of what it was ten years ago. Then unemployment ran as high as 9,000,000 out of a total average civilian labor force of 55,000,000. Today, the civilian labor force is 62,000,000 with only some 3,000,000 unemployed. In addition, many of this group are actually unemployable. The number of government-designated "E" areas—where there is a labor surplus of 12 per cent of the working force or more—is diminishing rapidly. There isn't much slack there, with civilian goods production running at all-time highs.

Needs of the armed forces will absorb more than the annual increase in the labor force which amounted to 700,000 persons in 1949. The number of women and others not ordinarily in the labor force who can be recruited may be small this time.

The net effect is to limit the number of potential employees who can be recruited for an expanding war effort.

On the other hand, some cheerful factors present today didn't exist in 1940. The problem of training skilled workers may be lessened because full employment has given our labor force skills it lacked ten years ago. Moreover, workers are now, for the most part, employed in plants where their skills can be adapted readily to war production. Auto workers can make tanks with a minimum of retraining, and here as elsewhere the conversion to war production should be more orderly.

While simplifying the problem for the war-goods manufacturer, this factor of geographic location

of workers may complicate the manpower situation for other lines. Where you are located may be as big a factor personnel-wise as the nature of your business. Although draft quotas are based on population, and reserve and National Guard, calls will be spread fairly evenly, war production may be more concentrated. Competition for workers will be keener in such areas.

During World War II, serious spot manpower shortages plagued the war effort. Temporary government machinery was created to channel workers into companies where they were most needed. Systems of priorities, ceilings, freezes and the like were set up. The only thing we did not find it necessary to do was to enact a labor draft such as Britain and most European countries had.

That is to say, we never reached the bottom of the manpower barrel in World War II, despite the shortages. Nor are we likely to do so in the present crisis *if*—and that's the great big *if*—the situation does not warrant total preparedness. Present thinking in Washington is that business would be wise to prepare alternate plans—one for partial and another for complete mobilization.

What about your specific case? The solution to your problem will lie in four courses of action. They are:

1. The recruiting of personnel,

The number of women who can be recruited may be small compared with the last time

whether now in the labor force or not.

2. On-the-job training of workers already employed.

3. Broader job analysis to adapt operations to fit a different sized or less skilled work force, or both.

4. Revision of personnel policies.

Right here, of course, it's necessary to differentiate between those employers producing war goods and those who are not. To the former, recruitment will be simpler and training tougher. To the latter the case will be just the reverse. But whichever class you fit, there are certain initial steps to take. Two are essential preliminaries to anything else you may have to do:

1. Survey your own work force.

2. Survey your local labor supply (either individually or in cooperation with other business men or organizations in your community).

The initial inventory of your working force should be made with a view to the future. The immediate question is who's in the reserve or National Guard and who's in the 19-26 age bracket now subject to the draft. Check the possibilities of deferment for such reasons as *key executive position, irreplaceable skill or physical unfitness to serve.*

But Selective Service also advises that you inventory your 26-35 age group as "probably to be liable for military service in an emergency." Whether these men can be

retained in civilian occupations will depend on whether the draft has exhausted the supply of men less than 26 and the extent to which men more than 35 and women have been used in filling civilian manpower needs. Selective Service will provide a chart by which you can inventory the skills in the various age brackets.

The Labor Department has prepared a list of *critical occupations* and the Commerce Department a roster of *essential industries*, both of which will be useful to employers in making requests for deferment of skilled and key personnel. At present no blanket deferments are planned. The local draft board will handle each request on an individual basis. Deferments for reserves or guardsmen will be handled by unit leaders with final authority resting in Army commanders. It would be well to remember that all deferments are temporary and largely designed to give an employer time to make replacements.

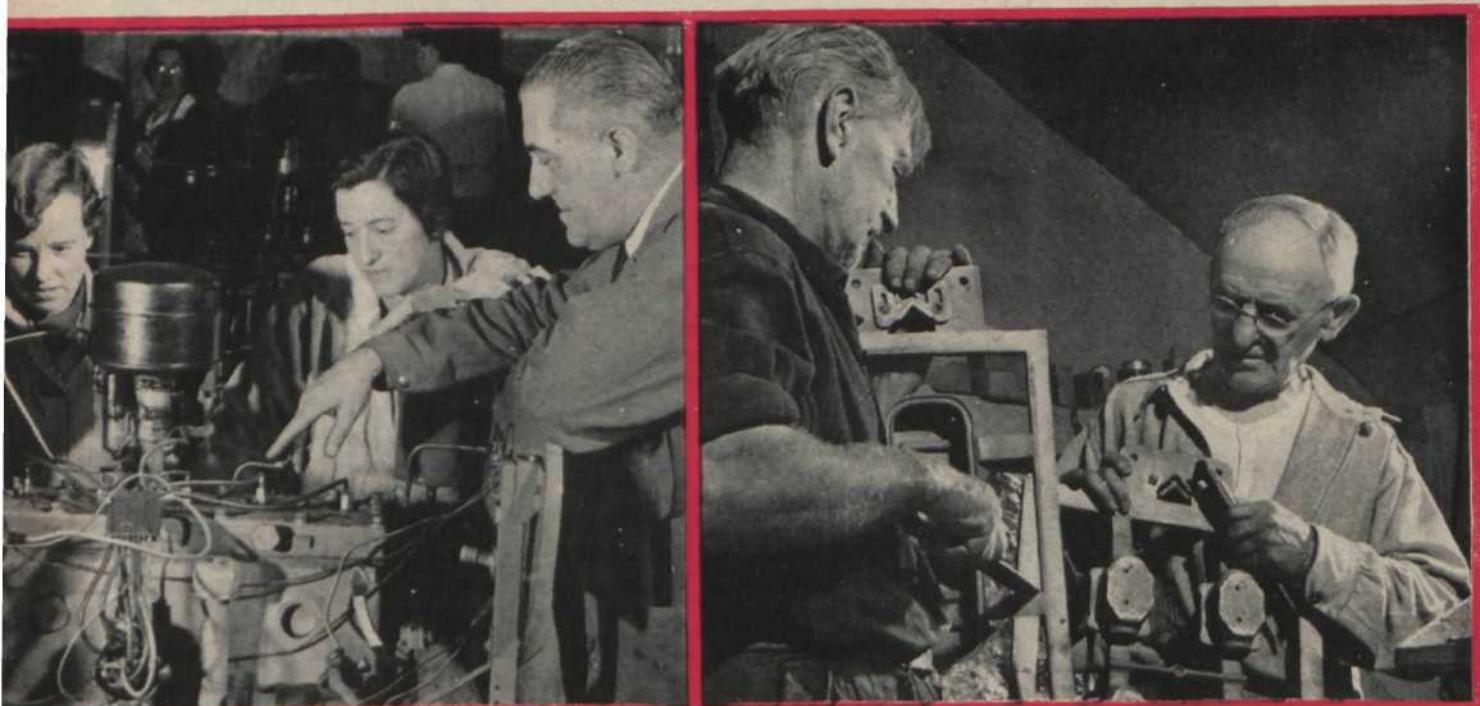
Likewise your survey of the local labor supply should be made with a view to the future. What workers with the aptitudes you need are likely to be available in six months? Will you have to look outside your own community for those with the skills or potential skills you need and how far will you have to look?

The employer may have to turn

(Continued on page 92)

Some companies already have begun to hire older workers and to add two more shifts

COOKE—PIX





Bank Failures

Take a Holiday

By GREER WILLIAMS

IN THE federal penitentiary at Terre Haute, Ind., is a scattered little band known to the Federal Deposit Insurance Corporation's more humorously-minded staff members as the "FDIC Club." It is made up of bank officials and employes who have been convicted of embezzling deposits insured by the FDIC.

With some embezzlers, it's a case of violating the old banker's bromide, "Fast women and slow horses do not mix with banking." They gamble; they buy orchids and champagne for blondes; they open themselves to blackmail. Often, it's simply the lack of financial security in the face of a family emergency which compels the bank employe to "borrow a little."

An Indiana cashier cashed upward of \$200,000 in worthless checks for his friends "just to be a good fellow." A woman teller in New York State explained that she had taken the \$110,000 "to buy hats."

With the latest official to join the FDIC Club at Terre Haute, it was a chance to make some money out of hay. Forty-six years old, married and the father of one, he was until a year or so ago cashier and managing officer of a bank in a small Ohio farming community. Founded in 1890, the bank had capital assets of \$87,000, total deposits of \$844,000. Employes—two, counting the official. Banks don't come a whole lot smaller.

He got the idea of starting a mill to process the abundant alfalfa of the region into meal for cattle. In 1945, the official interested three acquaintances. As capital, they raised \$17,500 among them and the small banker put up \$7,500, drawing a check for the amount on his bank and making it payable to the alfalfa mill, of which he became treasurer. The trouble was that he didn't charge the check to his account, but covered it by withdrawal falsification of ledger sheets to produce a fictitious balance of assets and liabilities.

Alfalfa is tricky, however, and the banker's ignor-

WITH FDIC as a ready life-guard, no depositor has lost a cent in the past six years



When a real estate promotion bubble burst, the FDIC wound up with 80 lake cottages to get rid of

ance of when to buy and to sell soon had the mill in the red. Within six months, one partner dropped out. The remaining partners each had to chip in first \$2,500 and then \$5,000 more. In these instances, the unscrupulous bank cashier was good enough to lend the mill treasurer, himself, the right amount. By April, 1949, when a state bank examiner discovered the banker was operating the mill with the bank's money, the checks totaled 108 and the shortage, \$148,706.

The FDIC, a government-sponsored trust supported by insured banks for the protection of small depositors, does not subscribe to the theory that other people's money is just so much hay. Embezzlement imposes a \$400,000,000 a year strain on the nation's banking system, and the would-be crime clubbers stand as disturbing exceptions to FDIC Chairman Maple T. Harl's claim that bankers are our most honest class of individuals—especially considering the temptations they face.

Furthermore, the larceny in men's hearts or, more precisely, in men's hands as they reach into the till, is practically the only source of inaccuracy in Harry S. Truman's boast: "I'm the only President who has never had a bank failure."

This is a forgivable hyperbole. To be exact, a mere 14 of the FDIC's 13,600 member banks have closed a step ahead of bankruptcy during the four years since Truman appointed Harl to succeed the

long-time FDIC chairman, Leo T. Crowley (who resigned to become board chairman of the Milwaukee Railroad). Of the 14 closed banks, 11 fell by the wayside because of defalcations, as embezzlement is known in banking circles.

This emergence of fraud as the principal cause of American bank failures, while arresting in itself, is less a blemish than a highlight on the record the FDIC has achieved in the prevention of deposit losses since its inception in the 1933 bank moratorium. To be sure, the depression's elimination of deadwood, the subsequent improvement in bank examination and management and a spiral of business prosperity all have contributed to the FDIC's success.

Still, its record is so impressive that congressmen, both Republican and Democrat, can find no fault with the organization and the press fairly chortles its admiration.

"The soundest and most widely accepted original New Deal agency, the Federal Deposit Insurance Corporation continues to deserve this unqualified approval," said the Hartford (Conn.) *Times*. "Soundly administered," chimed the *Wall Street Journal*, recalling the Gloomy Gus predictions that deposit insurance would go broke. It is doubtful whether any other part of Washington's bureaucracy enjoys a higher state of good feeling and all-around felicitation.

When a bill to raise the insurance limit from \$5,000 to \$10,000 came up before Congress recently, its author, Sen. Burnet R. Maybank, Dem., S. C., first wanted to know what the bankers thought of it. One seemed to reflect the general sentiment when he testified that he received the new legislation with "an almost explosive gust of pleasure."

The support of the bankers was enhanced, of course, by the fact that the Maybank bill offered them the prospect of a sizable reduction in the FDIC's annual assessment of \$1 on every \$1,200 of their deposits. The assessment has enabled the corporation to build itself a Boulder Dam in surpluses—\$1,200,000,000—to back up an all-time peak of public confidence in our banks.

Under the legislation, already passed by both houses, the banks will get back a large part of each year's assessment as long as their loss experience is good. Since 1934, it has been excellent. In 16 years, only 412 FDIC-insured banks have gone bust. At first glance, this appears to be quite a number for prosperous times. In reality, it is fewer than those failing during any one year between 1923 and 1933. For example, the boom year of 1926 saw 976 banks close their doors. In 1933, of course, all were forced to take a holiday, and that year 4,000 weak sisters went through the liquidation wringer.

But that was the old way of doing things. These days, a suffering bank receives euthanasia and a quiet burial. It isn't merely that the FDIC cushions the collapse by guaranteeing the depositor against loss on the first \$5,000 in his savings, checking or other accounts. Such small deposits make up better than nine out of ten of all accounts, but total only \$70,000,000,000 of the \$155,000,000,000 deposit liability of American banks. With a \$10,000 ceiling, the total insured still will be only \$80,000,000,000, or a little more than half.

The FDIC goes much further than that toward making bank failures painless and soundless. Whereas its insurance function is well known, its statutory power to use surplus funds to pay off the liabilities and conserve the assets of a distressed

bank is not so generally understood. In fact, the power was not routinely used until 1944. As a result, in the past six years no depositor of any size has taken a loss—neither the little one, with an average of \$500 in the bank, nor the big one, with \$20,000 and a fervent hope nobody will try to steal it from him.

Meanwhile—and this is the secret of the FDIC's larger success—no insured bank has been permitted to fall into receivership, with consequent dumping of assets to satisfy creditors or with drawn-out litigation at the expense of stockholders. In effect, the FDIC becomes the failing bank's chief creditor and its receiver, on a voluntary basis. What the FDIC does is buy the bank's least likely assets for whatever amount of cash is needed to cover its deposit liabilities. These, together with the cash and the good assets, are turned over to a neighboring bank which agrees to assume all customer accounts. The action is called "financial aid" and the result is a merger. In any event, there is one less bank.

Harl, a 57 year old man whose clipped, gray mustache and arthritis-stiffened neck add to his banker appearance, puts it a different way. He says, somewhat racily: "We're like the fire department. We get out our hook-and-ladder and raincoats and rush out and save little Nell. Our business is keeping people happy." Harl is himself a former small-town banker and ex-state banking commissioner in Colorado.

The case of the previously mentioned alfalfa mill provides a good illustration of the way the FDIC does it. The FDIC put in \$257,000 to cover the defalcated bank's deposit liabilities and persuaded a bank a few miles away to keep the depositors happy. This bank selected \$587,000's worth of acceptable bonds, mortgages, notes and other assets in reward, leaving the FDIC to fuss over the remaining assets, valued at \$344,000 on paper.

The FDIC's Liquidation Division, moving in behind examiners, auditors and attorneys, then sat down to see what it could make out of the mess. It collected the bank's \$50,000 surety bond against defalcation. The banker, who pleaded guilty,

turned over his home and a half interest in a farm, adding another \$19,500. Then there were his interests in the mill, still a going concern, and in other business enterprises. All told, the FDIC was able to recoup its entire \$257,000 grant, plus administrative expenses and four per cent interest on its money.

"We got our money back," is the way staff experts like to put it. Surprisingly enough, the bank's stockholders (excepting the embezzler) were paid off at \$135 per \$100 share!

It was only crime that didn't pay in that case, but in some the FDIC must hold the bag. The largest postwar loss it has had to liquidate, and one on which it is still working, began in a crap game. Without a doubt, the executive vice president of an Oklahoma bank had one of the world's longest losing streaks at the dice tables. When it started in 1942, he weighed 240 pounds.

When it ended, Nov. 1, 1948, with him going out the bank's side door as a national bank examiner and his three-man crew came in the front, he weighed only 160. He had reason to be a worried man.

The examiners found he had lost about \$800,000, including \$550,000 he had taken out of deposits, plus \$250,000 in forged notes. He had withheld so many deposit slips and removed so many ledger sheets that he had to work nights and Sundays to keep the books in phony balance. The bank never could have survived so long with this shortage if the town had not been the wartime site of a munitions plant. The town doubled in population, from around 4,000 to 8,000, and the bank more than doubled its deposits, reaching a \$2,300,000 total at its peak. Thus far, the FDIC has had to advance to another bank in the community, a new company replacing the insolvent one, more than \$1,300,000 to cover all valid claims of depositors.

As one example of the vice president's manipulations, he made a \$400 donation to a local civic group. When it deposited his check, he not only withheld the \$400 but another \$500 on the same deposit slip. His flight was short-lived and, if his weight was any indication, he was relieved to wind up in fed-

(Continued on page 68)

Horses that ran out of the money have been the undoing of more than one embezzlement scheme





You Can't Afford a Bad

By ALAN HYND

LOOK AT your watch. Let it tick off 40 seconds. Within that time a fire will break out somewhere in this land of ours. It may be just a brush fire, or a blaze in a hall closet, easily controlled and extinguished; it may also be a disastrous conflagration that will wipe out a whole section of your city with heavy loss in life and property damage.

Look at your watch again. Let it tick off 60 seconds. Within that 60 seconds, somewhere in the U.S.A., there will be a property loss by fire totaling \$1,500. Fifteen hundred dollars a minute adds up to more than \$750,000,000 a year.

Who pays this annual \$750,000,000 for 750,000 fires? Why, you do—you, the small business man, you, the big business man, you, the architect, the accountant, the lawyer and the schoolteacher. You pay it, through your fire insurance policy, costly minute by costly

UP-TO-DATE fire protection is one of the best investments a community can make. It not only saves lives, but dollars and property as well

minute, around the clock. The grim joker is that the number of fires and the resultant loss of life and property could be drastically slashed.

How? With better fire protection—with better firefighting equipment, improved water supplies, up-to-the-second alarm systems and increased manpower in the fire departments. All that, of course, costs money and boosts the tax rate.

But here's one tax hike—perhaps the only one—that is practically self-liquidating. A better fire department means lower fire insurance rates. The saving effected in lowered rates more often than not

offsets the cost of fire department improvements within a few years. Once the improvements are in, you have them; meantime your insurance savings continue year after year.

The economic fallacy of having a poor fire department and the monetary wisdom of having a good one has been dramatically illustrated in Billings, Mont. The citizens of Billings, a town with a population of 31,700, and with taxable property of \$55,000,000, now are reaping the cash benefits of \$550,000 spent on fire defenses over the past six years.

Billings laid out \$250,000 for new fire protection equipment and

\$300,000 for an improved water system and handed the bill to the taxpayers. The entire \$550,000, now paid off, will be recouped in five or six years through savings in fire insurance premiums.

Insurance rates in Billings last June dropped 18 per cent on masonry mercantile buildings and 30 per cent on frame mercantile buildings. This means savings of about \$135,000 annually to Billings residents—an effective bromide for any fiscal headache.

The Billings story began in 1944. The city had been ravaged by a series of bad fires. The fire department's apparatus was obsolete and inadequate, the department was undermanned, its alarm system out of date and the town's water supply system had not kept pace with an expanding population.

An official of the National Board of Fire Underwriters, which classifies the fire defenses of all cities of 25,000 or more for the leading capital stock fire insurance companies, appeared before a luncheon meeting of the Billings Commercial Club. He stated bluntly that Billings could either do something about its fire defenses or its citizens would face a hike of from 15 to 20 per cent in insurance rates.

Fire Department

When the luncheon meeting broke up more than one tablecloth bore the penciled evidence of some rapid calculation. A jump in insurance rates eventually would prove just as costly to Billings citizens, especially business men, as a rise in the tax rate to modernize the town's fire defenses. And, if the improvements were made, not only would increased insurance rates be averted; Billings citizens could look forward to reduced rates, which later would more than compensate for the money spent on the improvements.

The Commercial Club formed a fire prevention committee which sold the townspeople on the value of a good fire department; it made them water-supply conscious, since water supply is such a vital part of fire defense. Once the ball started rolling, it moved fast. Billings bought new equipment for its fire department—pumpers, hose

trucks, ladder trucks—and installed a new \$30,000 alarm system in the downtown district. It built two new fire stations, increased the department's personnel from 28 to 41 men. It put more than \$300,000 into its water system, making it one of the best in the country for a town its size. The assistant fire chief was sent to the Los Angeles fire department training school to study the latest in modern fire-fighting techniques; he returned to impart his knowledge to his fellow firemen.

For the six years ending in 1943, before the improvements began, Billings fire losses passed the \$1,000,000 mark on an assessed property valuation of about \$30,000,000. For the six years after the improvements were installed, fire losses were cut 25 per cent although property valuation had almost doubled.

The National Board of Fire Underwriters sent experts to Billings to resurvey the town that had, six years before, been a hot spot on the nation's insurance map. The underwriters' rating experts last June elevated Billings from a sixth-class city to one of fourth class. Since Billings previously had been in danger of being dropped from sixth to seventh class, this

really represents a jump of three notches in ratings—an unprecedented feat. The insurance companies, determining rates on a city's classification, forthwith lowered the Billings rates.

What Billings can do your city can do. Let's look in on Santa Ana, Calif. Its people faced a decision on election day last June. Should they or should they not approve a bond issue calling for an outlay of \$475,000 for improvements in the city's fire defenses? Santa Ana had grown in size to 45,534, a jump of 46 per cent in ten years. Its assessed property valuation was \$63,000,000—its tax rate, \$1.20.

Its fire defenses lagged woefully behind the city's growth. Large areas were so remote from the nearest fire station as to be practically unprotected. The alarm system was not only antiquated; it covered but a part of the town. At least one new station house was



J. F. MORSE

A fire protection survey checks on how much time it takes to transmit an alarm



J. F. MORSE

It also tests hydrants to determine the water available at any desired pressure



Pumpers and other items of equipment

needed; another was in the wrong location and would have to be moved. The fire department itself practically screamed for all sorts of new equipment and additional personnel to man it.

Santa Ana citizens, like citizens everywhere, were fed up with taxes and bond issues. But Mayor Allen Mandy told them that a bond issue for fire defense was different: it would eventually pay for itself. Santa Ana was a class five city. If the improvements were not made, it was threatened with a lower classification and an increase in insurance rates of from ten to 15 per cent; if the improvements were made, insurance rates would drop.

THE voters—from plain house holders to leading business men—got out pencil and paper and went to work on the \$475,000 problem. They figured that lowered insurance rates and the avoidance of hiked rates would more than compensate for the bond issue in a few years. Once the physical improvements were paid for, the continuing yearly expense of added manpower in the fire department would be but a fraction of money saved annually on decreased insurance rates. So the voters gave the nod to the bond issue—five to one.

Sometimes a city, hovering near a better fire grading, needs a comparatively small outlay for fire defense improvements to raise it a notch. Portland, Me., with a population of 77,000, recently was upgraded because of the \$125,000 spent on new equipment and an overhaul of its alarm system, and \$45,000 earmarked for one new fire house. Rates on residential property in Portland recently have dropped 20 per cent; appreciable reductions are in order on commercial and industrial properties.

There have been instances where as little as \$100,000 spent in a city the size of Portland has been enough to turn the upgrading trick. Let's take the 1949 figures of an Atlantic seaboard city and see how this would work out for a tax-and-insurance payer. The city's tax rate is \$55.60 per \$1,000 on a total assessed property valuation of \$93,500,000 and property tax revenues of \$5,198,600. A \$100,000 fire-defense program, to be paid for in one year, would raise the tax rate 95 cents to \$56.55 for that one year.

Assuming that a man owned property assessed at \$30,000, his taxes would jump from \$1,668 to \$1,696.50, an increase of \$28.50. Let us further assume that the actual

insurable value of the man's property was \$50,000 and that his insurance rate was 40 cents per \$100. His premium for three years, before the \$100,000 fire-defense improvement, would come to \$200.

Assuming that he got a rate reduction of ten per cent because the city received a better classification after the improvements, his premium for three years would be reduced to \$180, a saving of \$20. With a saving of \$20 every three years, the single year's tax hike of \$28.50 would be recouped in a little more than four years.

A New England town of 30,000 today faces the prospect of spending \$50,000 for a better fire classification. The town has a tax rate of 26 mills per dollar on an assessed property valuation of \$64,000,000, and tax collections of \$1,642,088. The improvements, paid for in a single year, would raise the tax rate to 26.4 mills. A man with property assessed at \$35,000 would have his taxes raised from \$910 a year to \$924, an increase of \$14. If this man was paying 40 cents on \$100 for insurance, and got a ten per cent reduction, he would find himself in clover the third month of the third year.

LAST year, the National Board of Fire Underwriters surveyed 55 communities. The gradings of 42 communities remained unchanged; only six had permitted their fire defenses to deteriorate sufficiently to be downgraded, and 27 were upgraded. Racine, Wis., went up a notch as a result of improvements in virtually every phase of fire protection. Bakersfield, Calif., was upgraded because of all-embracing improvements.

Taxpayers will receive insurance balm as a result of upgrading of such representative communities as Kearney, Nebr., Knoxville, Tenn., Miami, Fla., Montclair and Hackensack, N. J., Austin, Texas, Enid, Okla., Sioux Falls, S. Dak., Rochester, Minn., Alton, Ill., Benton Harbor, Mich., Bethlehem, Pa., Tacoma, Wash., Akron, Ohio, Warwick, R. I., and Oak Park, Ill.

The National Board has been grading cities since 1905, when, after investigating the water supply, alarm system, building construction and other features of one city, it reported: "This city is violating all underwriting traditions and precedents by not burning up." Not long afterward the worst fire in history broke out in the city in question—San Francisco.

The National Board grades cities

on a scientific point system; the fewer deficiency points, the better the classification.

A community is graded on the individual component parts of its fire-defense system—water supply, fire department equipment and personnel, alarm system, structural conditions in varying localities, building laws and their enforcement, climatic conditions. Each component part carries a relative value, according to its importance in the over-all picture. The water supply system is rated as the most important single factor, with the department itself a close second.

A good fire department without a good water supply system is like an automobile without tires. The condition of an alarm system is of paramount importance; a good water supply system in combination with a good fire department, minus a good alarm system, is like a car with a faulty starter.

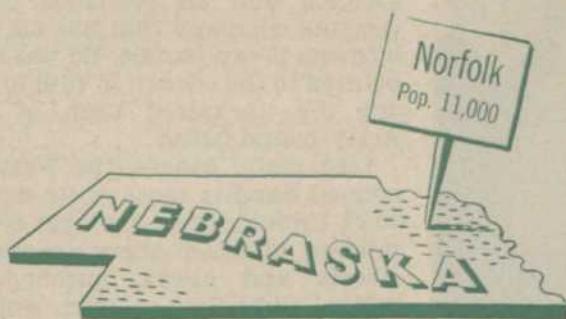
Teams of experts spend anywhere from a few weeks to several months in a community, depending on its size, probing the most minute details of its fire hazards and rooting out the hidden dangers to life and property. The surveys are free, made in the interest of public safety. Mayors, city managers and other municipal officials invariably welcome the survey teams and offer them the fullest cooperation.

A SURVEY team usually consists of three men, each an expert in his field. There is a water supply expert; a specialist in fire departments and alarms, and an experienced building and construction engineer. The water supply expert pores over maps showing the location of the water mains, then examines pumping stations and checks details of pumpage and construction records. Then he assembles a crew which checks the pressure and water flow at fire hydrants.

The fire department expert climbs over the various pieces of equipment in the station houses, puts department drivers through rigid tests, observes the efficiency of the men in answering test alarms, examines the question of manpower, and even evaluates the morale of the personnel.

The survey team engineer examines the structural features of the community. He tramps in and out of buildings on representative streets, checking on types and conditions of construction, thick-

(Continued on page 91)



These and other business men are behind Norfolk, Nebr.

Main Street and City Hall

By NORMAN KUHNE

THE rise of efficiency in local government can be laid to the participation of business men in the operation of municipal activities

SMART BETTERS in Norfolk, a city of 11,000 in northeast Nebraska, were giving odds that the new municipal stadium never would be completed within its original budget. In October, 1948, a \$150,000 bond issue had been voted for the project. It included acquisition of eight city blocks of privately owned property on which would be built a football field and baseball diamond, lighting for night games, permanent seating for 2,200, temporary seating for 1,100, a parking area, lockers, showers, storage facilities and public rest rooms along with the usual fencing and landscaping.

With inflated land prices and mounting construction costs, the appropriation seemed certain to be exhausted before the work was completed. But the project was finished this summer with several thousand dollars to spare. The trick was turned by entrusting the job to a committee of three business men from the city council—B. M. (Mike) DeLay, assistant cashier of a local bank; George Krampien, an insurance agent; and Ralph Reeves, an electric contractor and appliance dealer.

Townspeople say the awakened interest of business men and their participation in municipal affairs is responsible for a steadily rising

standard of efficiency in local government. Substitute the name of any one of a thousand smaller cities that operate under the mayor-council plan for that of Norfolk and the facts about its operations, its costs, strengths and weaknesses will be substantially the same.

In dozens of communities that I visited to investigate local government, civic leaders told me that their most hopeful prospect of greater efficiency and economy in municipal affairs was the increasing willingness of business men to hold public office and bring the methods of private enterprise to city hall.

That's because local government, in all but the smallest villages, has become big business. Last year Mayor Bert McCreary and his council spent nearly \$400,000 of the Norfolk taxpayers' money, \$150,000 for the stadium and nearly \$250,000 for normal operations financed by a tax levied at the rate of \$20.95 per \$1,000 valuation. An average payroll of 70 made the city one of the larger employers.

Like their counterparts in other cities, Norfolk business men were somewhat slow to appreciate Main Street's community of interest with city hall. Trade, in all but a



When this stadium went up within the budget, it marked a milestone



Police work is confined mostly to violations of municipal ordinances



Councilmen often go out themselves to see a job



A sewer extension plan got under way in a board meeting, ended with councilmen out following the work



Councilman Reeves and City Clerk Hazen caught in a quiet moment



few depression years, held up well. The railroad shops and food processing plants provided relatively stable employment. The fact that most local residents owned their homes and took pride in them gave the city a well kept appearance and trees planted by the pioneers who settled the community in 1866 added to the scenic beauty of the fertile Elkhorn River valley.

Beside that, municipal government has been honest and economical, with but two exceptions. In the World War I period a city attorney was indicted for accepting bribes from brothel keepers, who subsequently closed shop. More recently a chief of police was asked to resign in mid-term because of alleged involvement with a gambling syndicate whose principal income was from punch boards, since removed. The city has never defaulted on bonds and its credit rating permits it to borrow at 1.75 per cent interest.

Still, Norfolk found itself entering the postwar period with a backlog of work that had been deferred because of wartime shortages and restrictions. Rising costs made maximum efficiency imperative and demand for increased municipal service put greater pressure on limited tax resources.

Typical of the business men who have been active in Norfolk city government is Ralph Reeves, 41, who built \$400 of borrowed capital

into an appliance store that does an annual volume of more than \$300,000 and an electrical contracting company that has all the business it can handle. He was appointed to the council in 1943 to fill out the unexpired term of an Army-bound friend.

Like many others, the Norfolk council handles most of its detail work through three-member committees, of which there are ten—streets and alleys, purchasing, police, ordinance, public works, finance, aviation, fire, sanitation and health.

After the mayor appointed Reeves to the fire committee as one assignment, the latter made a study of the department and found it poorly manned, under-equipped. A supposedly active volunteer organization which supplemented the paid men included a lot of deadwood. Fire losses ran as high as \$200,000 a year. To get comparative data Reeves took trips to Omaha, Lincoln and other cities, talked to the chiefs, accompanied the engines on alarms, wrote to fire-prevention organizations for suggestions.

As a result of his work, the number of paid firemen was doubled in 1946. A new pumper and other equipment were bought and a more adequate alarm system installed. Larger water mains were put in in some sections and more hydrants added. Fire losses last year were only \$20,000, the city has a class six fire rating and the prospect of a class five when pending improvements are complete.

The free and easy flow of war-stimulated money had brought to Norfolk a rash of punch boards and slot machines. There were the usual whispers of payoffs, but internal revenue agents who made a check found no evidence.

Dissatisfied, citizens persuaded Glenn Riecker, who had gone into his own insurance business after 20 years as manager of a food processing plant, to run for mayor. His campaign is rather typical of the way party politics, or rather the lack of them, operate in municipal government. Norfolk has partisan



elections, but standard practice is for any employe doing a good job to retain it regardless of change in administration. Riecker, a Republican, ran on the Democratic ticket and won handily.

All gaming devices were removed from the city the day Riecker took office.

The same election brought three new men to the city council—Emory Jones, 37, a newspaper linotype; Wesley Josiassen, 51, a car inspector in the Chicago & North Western shops, and B. M. DeLay.

DeLay, a 37 year old Notre Dame graduate whose 15 year career in banking was interrupted only for a wartime tour as a Navy officer, soon interested himself in the city's heavy equipment. He found that the newest truck in the municipal fleet was 13 years old and that repairs cost weeks of operation time. As a result of his work, new equipment was bought and an orderly system of replacement instituted. The sad shape of the city's equipment was brought home to everyone in the winter of 1948-49. The first heavy snow disclosed that the street department responsible for its removal didn't have a single plow. Private contractors, operators of scrapers and bulldozers were hired. All winter they dug the city out of the snow at a cost of some \$15,000, for which the budget had made no provision. Tax laws made no provision for emergency funds.

Sparked by Mayor Riecker and men like Reeves and DeLay the council decided to revamp the street department, abolish the post of street commissioner and put the setup under the city engineer.

H. H. Tracy, who has been employed by the city ever since his graduation from Armour Institute as a civil engineer 40 years ago, took over.

Norfolk, like some other cities, is the victim of an unrealistic property assessment system. Nebraska cities can levy 22 mills tax for local purposes and most of them are up to the legal limit. But property valuations which determine the tax yield are fixed by county govern-

ment and the cities have no voice.

The appraisal of residential property ranges between 15 and 35 per cent of market value. Houses selling for \$35,000 show up on the tax rolls at \$5,000. During assessment years some householders repaint only after the assessor has called. On personal property, the situation is worse. Regulated business, like banks and corporations, which are required to file accurate reports of their value carry a disproportionate share of the tax load.

That makes it imperative for the city to keep hunting ways of cutting corners.

As they probed their city government and sought ways of strengthening it, the mayor and council members were sometimes in the dark as to where their authority began and ended. Local ordinances hadn't been revised or codified since the city was organized in 1881, were poorly indexed and sometimes couldn't even be located. To remedy the situation, a local law firm was hired to bring ordinances up to date, publish them in book form.

With the increased tempo of activities, the chamber of commerce invited the mayor and the superintendent of schools to serve as ex-officio members of its board of directors. This system, begun in the spring of 1947, has kept the city government informed of chamber proposals and the latter aware of city plans. An immediate benefit was a joint traffic survey which resulted in the installation of new

traffic lights, signs and controls which speeded both vehicular and pedestrian traffic.

This arrangement faced its severest test when the installation of parking meters was proposed in 1949. Many merchants opposed the meters, but after six months of operations there is almost unanimous agreement that the meters have helped alleviate traffic problems and that the revenues they produce will permit additional improvements.

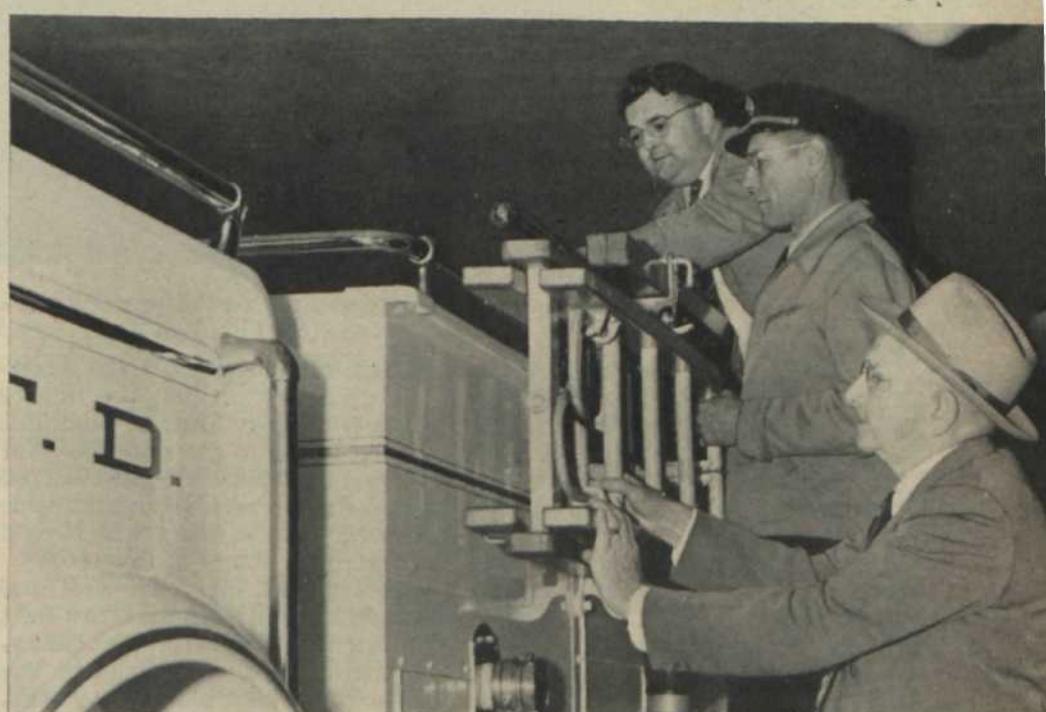
Untended vacant lots were an eyesore and a breeding ground for insects. An ordinance was passed requiring owners to maintain them. Following through on insect control, the city bought equipment and started spraying alleys, parks and other areas.

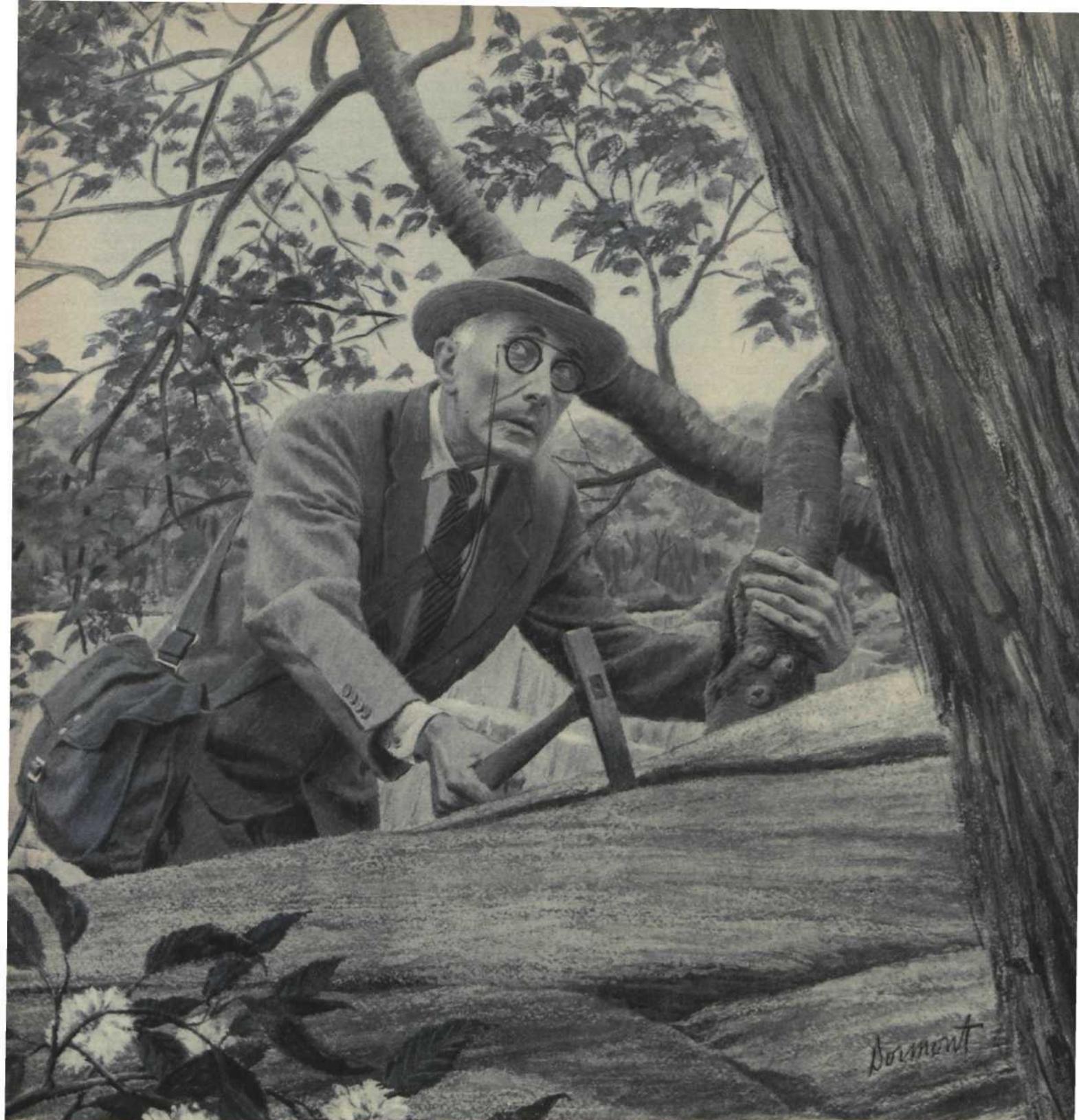
Mayor Riecker, whose insurance business depends largely on personal contacts, found that the time spent on city business cost him more than 70 per cent of his volume and, unable to afford the financial sacrifice, declined to run again. He was succeeded in May, 1949, by Bert McCreary, who owned and operated a retail liquor store after 25 years selling produce.

Having sold his store, McCreary devotes full time to the mayor's office and to the management of the city auditorium, an added duty which pays \$1,500 a year. The accelerated tempo of city government has been maintained under McCreary's administration.

For years, in addition to city
(Continued on page 88)

After business men moved onto the fire committee, losses took a drop.





He made his way carefully to the upper level of the quarry where a breeze stirred

DURING the week summer had surged into the valley to sweep the last crisp of spring from green fields far beyond the roll of hills on the north. By midday now, cattle drowsed knee deep in shaded creeks, and the black knife-blade of highway which sliced the valley into green halves shimmered with silken heat.

To old Professor Revels, who was studying geologic formations in the abandoned quarry just off the highway, the heat by midmorning

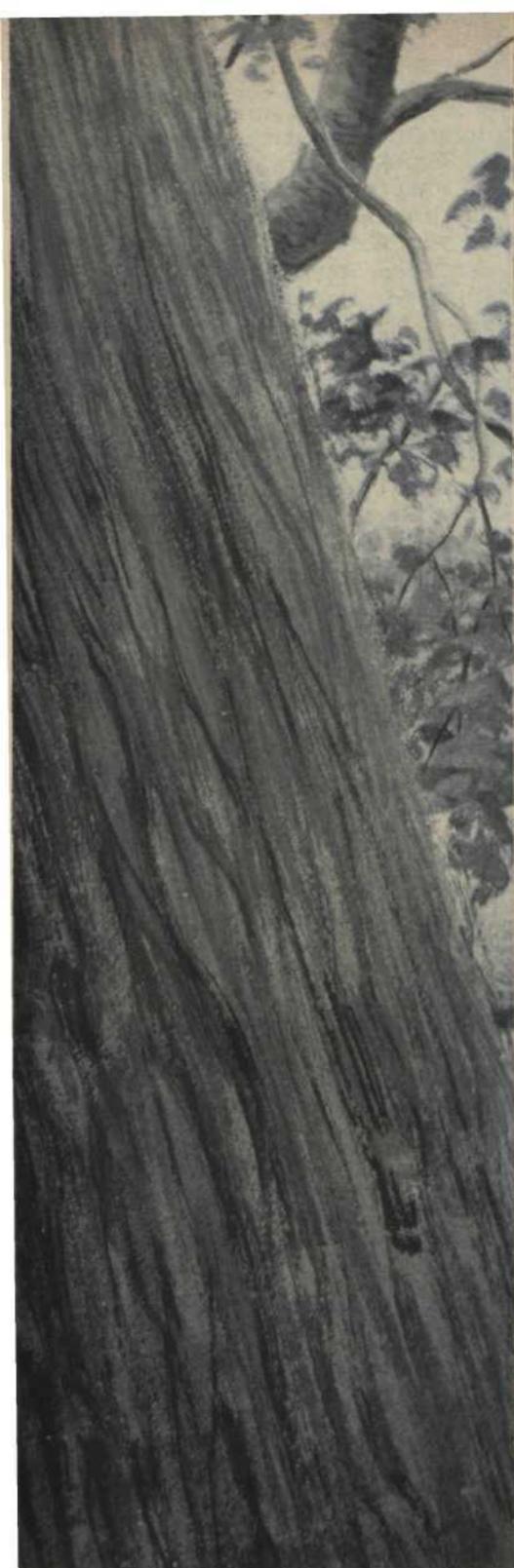
became unbearable. When a sudden dizziness whirled the quarry ledges in a gray blur, he made his way carefully to the upper level of the quarry where a breeze stirred and sat down beside the small pile of sedimentary rocks which he'd collected for study in town.

He took off his pince-nez, and fanned himself with his straw hat; and then, with the hurting realization that he must abandon the work which he'd planned to complete this morning, he felt de-

feated and useless, as he had a year ago when he was retired from his professorship.

A gay retirement dinner had been given him, of course, with a monster cake iced into strata layers representing his aeons as a geology teacher at Warwick; and there had been aeon-old after-dinner jokes, half kind, half cruel, about his snap courses.

Snap courses. No. His students passed because he managed to ferret out some channel of interest to



Transition

By WILLIAM MARTIN

truth: that his system of teaching was no longer acceptable.

The college was overcrowded since the war. It was against the law of averages for every student to pass. Weed out the underdeveloped mind, rather than prune and nurture it!

He had come back to his birthplace here in the valley, an old-fashioned, bachelor professor, with his long black tie and pince-nez and books, to slump into a rocking-chair apathy. But last spring his aimless feet had found new direction along an old familiar path.

The small public library, he learned, was shockingly deficient in geological works. Tactfully, he had donated his own texts; and for new books, a small sum he'd saved for years for some emergency. Then, with an adequate library shelf set up, he realized that he could teach on, in a sense! He would write a modest pamphlet for the library, the geological story of this valley, as meaningful a valley as any other in the world. Perhaps some restless, inquiring young mind could learn that the endless story of earth lay in one's own valley, in one's own hills, under one's own feet, everywhere.

And so all spring, when weather allowed, he had made mild, geologic forays out from town to study the sweep of the valley plateau; the rolling hills to the north; and the gaunt, denuded southern bluffs once channeled through by a mighty river which had vanished, ages ago, into some lost, nameless sea.

But not until this week had he discovered this quarry and a strata fault with evidence to complete his story. All week he'd timed his arrival, mornings, when it was still cool. But the oppressive heat came earlier each morning. Now he had at most tomorrow to finish his work. After tomorrow he would have to wait until the cool of fall;

and, well, time could run out, even for a geologist who dealt in years by the millions.

When his dizziness passed, he put his specimen rocks into his canvas field bag, and pushed up the slope toward the highway, dreading the walk across the fields to town.

At the highway he saw a car parked up the road; and as he crossed over, a man stepped from behind the car, calling and waving.

Perhaps a ride. He'd need to guard his strength for tomorrow morning.

Professor Revels set his bag down as a big man with wilted collar came up, mopping his red face and looking worried.

"How far to the nearest town, Mister?"

Professor Revels put on his pince-nez. "About two miles, sir."

The big man grinned uncertainly, and then his mouth sagged in slow surprise. "Well, what do you know. It's Prof. Percy B. Revels, isn't it?"

"Yes indeed, sir." Something in the big man's sheepish smile caught at his memory, but there had been so many young faces. He turned to his stand-by for remembering students' names, the alphabet... A... B... C... no....

The big man mopped his face again. "I quit in '22, Professor. Guess you don't remember me."

"Of course, sir." He was at the J's now, and unaccountably he remembered a girl, Jones... Elise Jones, a brilliant student. Then in that memory cluster, he glimpsed an indifferent face—the boy in the seat next to her. A name came automatically. "Jensen," he said, and had to restrain himself from completing the thought in words: Jensen, I shall have to ask you again, sir, to stay awake in my class.

Jensen grinned guiltily, suddenly a boy again. "Thought you'd

each waiting young mind. He had never assumed failures on a ratio basis. The function of a teacher was to teach!

In all his years at Warwick he had been forced to fail only one student, a vague, indifferent boy named Jensen. His recalled failure of this one boy had been laughed about at the dinner.

Forty years of teaching, then 40 minutes of laughter and farewell. A farewell with trumpets blaring loudly enough to silence the quiet

forgotten me, Professor. I wasn't so hot in geology."

No, he hadn't forgotten Jensen, his one teaching failure. Professor Revels smiled pleasantly. "How are you, Jensen?"

"Not so good. Transmission trouble. Everybody I try to flag down goes right on. I've got my sample merchandise in my car and can't leave it. I'm stuck." He glanced at his wristwatch, brow furrowed. "Got an important engagement tonight 300 miles from here."

Professor Revels felt weak in the hot sun. Any offer of help would take him out of his way, tax his strength. But Jensen looked troubled so he said, "I'm walking into town, Jensen. I, er, will send assistance from the garage."

Jensen's face cleared. "That's fine, Professor. Tell 'em I'll need a tow job." Then, "let me bring that sack in my car."

Professor Revels hesitated. "This

running across Jensen on this, of all mornings. Odd, too, that Jensen hadn't questioned why he, Professor Revels, was crossing a highway 300 miles from Warwick.

Later, in town, he walked tiredly past the cool inviting front porch of his boardinghouse, and on down the street four blocks to the service station on the corner. Paul Smith, the owner, wiped his hands on waste. "I can send my boy out for the tow, Professor, but I can't fix him up today. I promised this ring job by tonight."

"He has, er, an important engagement," Professor Revels insisted, thinking of Jensen's concern. "He's, er, an old friend of mine from college days."

"If it's that way, Professor, O.K., I'll fix him up some way."

After lunch he was just climbing the stairs to go to bed for the afternoon when Jensen came up on the boardinghouse porch. Jensen set the bag down and called,

up because I was an old friend of yours. Guess I've been wrong about you, Professor; always figured you had something against me. Everybody else in class got a C anyway, and you flunked me cold."

Professor Revels shook his head. "I have, er, regretted many times, Jensen, that we never got together on geology."

Jensen was embarrassed. He said abruptly, "I was making a run through my territory out of New York, and thought since I was out this way I'd drop in at Warwick. kill two birds, you know. I haven't been back since I flunked out."

Professor Revels flinched inwardly. He didn't want to talk about Warwick. He was tired, and he wanted Jensen to go. He said pleasantly, "Everything is rather the same, Jensen, the building and the campus. There are new faces, of course, er, on the faculty. I, er, was retired at the end of last year."

Jensen nodded. "I know. My boy said you weren't there any more."

"You have a son at Warwick?" he asked politely.

Jensen's face brightened. "Finest boy in the world; and he thinks a lot of his old man. Guess I've got him fooled." From his billfold he handed over a worn camera shot. "Best pilot in his wing. Thirty-one missions and not a bobble. He's a bug on flying, like I used to be."

Professor Revels adjusted his pince-nez and looked at a slender, serious-faced boy in flying togs dwarfed beneath the house-like nacelle of a bomber.

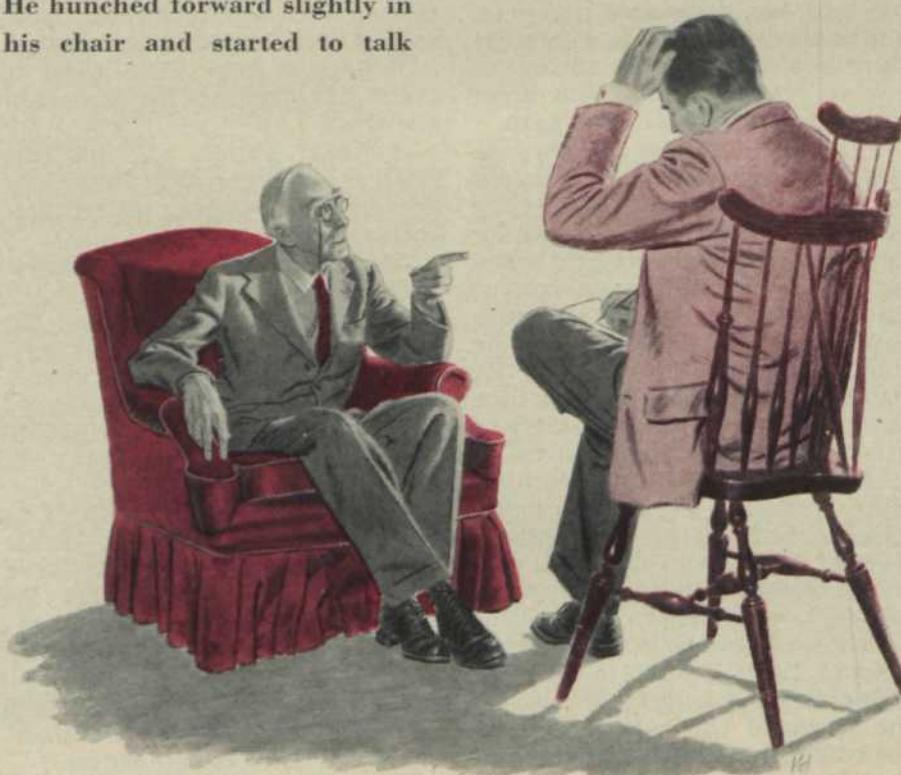
"You handle a lot of airplane when you handle a bomber," Jensen was saying proudly. "He's got a good head on his shoulders. Takes after his mother, I guess." Jensen took out another picture, yellowed and cracked. "I dug this out of some old stuff home the other night. Thought the boy'd like to see it. You remember this, Professor?"

Professor Revels held the picture at arm's length for focus—a group picture taken on a quarry ledge. The girls wore middie blouses and bloomers; and the boys, tight-legged trousers and crew-necked sweaters. In the center, in a motorist cap and stiff collar and leather puttees was a thin, smiling man of scarcely 50—odd—himself. His heart beat faster. "Why, er, this must be an old Warwick picture, Jensen, taken, er, I should judge, on a field trip in Geology 1."

"Sure," Jensen pointed out a gangling boy posturing for the camera. "There I am," he said

(Continued on page 80)

He hunched forward slightly in his chair and started to talk



is, er, my sample merchandise, Jensen. It contains some rather valuable rock specimens. I couldn't replace them."

"Nothing to it," Jensen said, taking the bag. "I'll look after 'em like my own stuff."

"Thank you, Jensen. I hope that you can keep your appointment."

Jensen looked upset. He started to say something and then thought better. "Well, good-by, Professor."

Professor Revels walked slowly across the hot meadow. It was odd

"Here you are, Professor. Safe and sound."

He walked slowly out on the porch, relieved to have his field bag. "That was, er, thoughtful of you, Jensen."

"One good turn, you know."

Because Jensen was trying to be friendly, he said, "Won't you rest a moment, Jensen?"

Jensen seemed perplexed as he pulled up a rocker. "You certainly got me out of a hole, Professor. The garage man said he'd fix me

SEED BEDS OF SOCIALISM: No. 2

Department of the Interior

By JUNIUS B. WOOD

WITH THE passing years, the hardy pioneers and covered wagons that opened the West are memories in the pictures and folklore of the nation and the Indians who enlivened so many stirring scenes have become peaceful, dependent children of the Department of the Interior.

Also with the years, the activities and ambitions of this all-embracing department have grown until its planners are well along the road not to giving the country back to the Indians—but to making all Americans within its domain—their lives, opportunities and business—as subservient to government as the Indians have become.

The Department of the Interior imposes its authority on the people through its control of land, water and other natural resources and the many diversified activities and uses that are based on them.

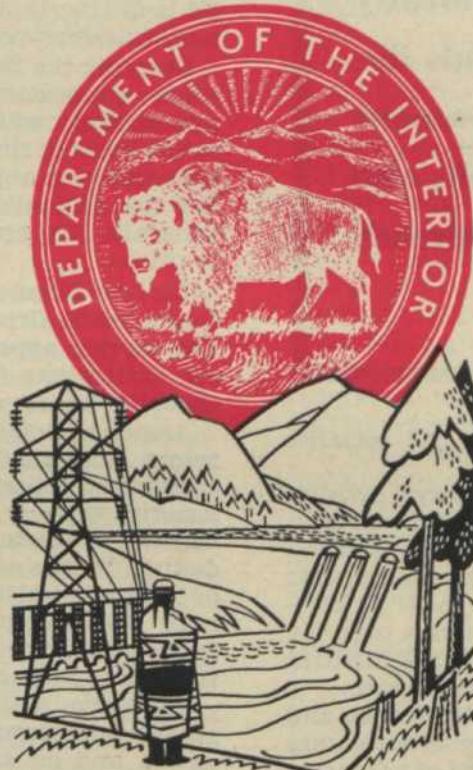
While the Federal Security Agency aims to make the people dependent on its largess for their health, happiness and welfare, Interior adds more shackles of government by making millions answerable to it for their means of livelihood. Other departments and agencies have other controls and chains for particular groups. Each follows its own trail but all lead to one goal, a socialized state in which government guides the people's thoughts and lives.

Interior calls itself "The Mother of the Cabinet." It is in more kinds of business with more diversified activities than any other department.

It has more than 58,000 employes, one tenth of them outside the country. Only Defense and State have more.

Of the 1,905,361,920 acres in continental United States, 23.89 per cent is owned by the Government. When Alaska's 375,296,000 acres (99.4 per cent government owned) are added, the percentage rises to 34.43.

Interior rules over 57.6 per cent of this vast government acreage—76.6 per cent when Alaska is added, and the Department already has suggested that when Alaska and Hawaii are admitted to state-



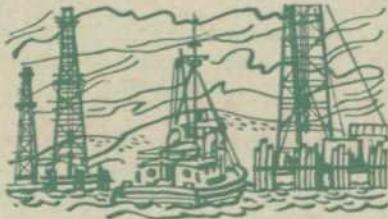
hood, the Government continue its land holdings there under its control rather than turn them over to the new states.

Among Interior's functions are: land management, land utilization, Indians, geological surveys, mines, fish and wildlife, territories and island possessions, including governors of Alaska, Hawaii, Virgin Islands, and Puerto Rico, 23,000,000 acres in 194 national parks and monuments ranging from Father Mallet Cross of 48 square feet in New York City to Yellowstone, Katmai and Mt. McKinley Parks of 2,000,000 acres each, the Alaska railroad, an oil and gas division, a division of power, and finally its greatest force to control the industry of the nation, the Bureau of Reclamation.

Thus, over a vast expanse, it has control of the earth's surface, and the resources beneath it—oil, gas, coal and other minerals. The recent Tidelands decision, giving the Government title to the "continental shelf" adds a vast increase to Interior's acres.

"The Interior Department believes that all natural resources belong to the Government," a Texas congressman told the House. "It already con-

THE ambitions of this bureau show that its aim is not to give the country back to the Indians, but to make all people within its reach as servile. It is in more kinds of business with wider activity than any other agency



INTERIOR, through its control over the earth's surface and resources beneath it, exercises a tremendous hold on the industry of the nation. The Tidelands decision, granting the Government title to the continental shelf, also adds a vast increase to the already huge holdings in acreage

trols many of these resources and the socialist dream is coming true."

In addition, the Department has a travel division which may not find a hotel room for strangers in crowded Washington but can tell them how to reach faraway places. It has a Board on Geographic Names which tells the world how to spell. In contrast to Interior's jurisdictional rivalries over big projects, all departments, including the Central Intelligence Agency, have seats on this board.

The board covers the world. It tells France and Switzerland that Lake Leman or seven other names which they use must be discarded for Lake Geneva. Dominican Channel is not Dominican Channel. Even the Soviet Union, which heeds little of our advice, is warned that the ancient city of Kharkov should be written Khar'kov, the fortress known as Cronstadt or Kronstadt is Kronstadt and the old city of Nijni Novgorod, which everyone now knows as Gorki, is actually Gor'kiy.

It also has a purpose. An engineer who quit for a civilian job was reminded of the progress made by the Soviet Union and chided for not remaining with an organization (Bureau of Reclamation) which was presiding over great social changes in this country.

Certainly no one could call Oscar L. Chapman, who now presides over these coming changes, a communist. In fact, in 1948, he denounced the Henry Wallace campaign as "lined up with Soviet totalitarianism."

But other movements, loyalty of which has been questioned by Attorneys General Biddle and Clark, or by congressional committees, have felt free to use his name as sponsor—sometimes, the secretary told the Senate Committee on Interior and Insular Affairs, without his sanction.

Next to the secretary is C. Girard Davidson, undersecretary of the department. In a speech at Cleve-

land, when investigation of communism in Hollywood started—ten from there were sentenced to prison this year—he declared: "Some people in Washington are trying to withdraw constitutional rights from all but those who march squarely down the middle road of conformity. An apparent attempt is being made to eliminate from positions of influence persons who do not adopt a mid-Victorian social and economic philosophy."

Stormy petrel of the Department is Michael W. Straus, commissioner of reclamation. The Straus home was opened for a meeting of the Washington Committee for Democratic Action, also on the lists of former Attorneys General Biddle and Clark.

Straus is for a new order. When Richard L. Boke, the regional director in Sacramento, Calif., first was employed, Straus announced: "He is one of the new school of thought we are injecting into the Bureau. He is distinctly not one of our regulation, reliable, non-crusading reclamation engineers."

Entering the Bureau also was Robert Burns Read whose application stated: "I developed a style of newswriting which contrived to present fairly subtle ideas in simple language." Part of his experience had been as publicist for the Joint Anti-Fascist Refugee Committee which also is on the attorney general's list and whose head officers now are in prison.

Carlton Skinner, now the first civil governor of Guam, while director of the Department's information service, appeared on letterheads of the Southern Conference for Human Welfare as one of the executive board of its Washington committee.

Arthur E. Goldschmidt, a special assistant to Secretary Chapman, was first vice president of the communist-inclined United Federal Workers of America when it was organized; contributed to the Christmas funds of International Labor Defense, defined by the attorney general as the "legal arm of the communist party," but never attended meetings; was a member of the American League for Peace and Democracy, and was a sponsor and contributor to Friends of Spanish Democracy.

Forty-five names of department employees were sent to the attorney general at one time for investigation and on another occasion the membership roll of the League for Peace and Democracy showed 35 in the Department, including then Assistant Secretary Chapman.

The *Daily Worker* commended the department last year for donating its auditorium to the Soviet Embassy on two occasions for free showings of Soviet propaganda films. "The Fall of Berlin," according to spectators, deleted American participation and gave an impression that the Red army won the war singlehanded. The Polish Embassy, a Moscow satellite, also had free use of the Department's auditorium for a showing.

Emphasis on publicity and propaganda and pressure on Congress and officials, which congressmen call illegal lobbying, has brought an unusual number of newspapermen and writers into the Department. When Congress, smarting under pressure which the Department was fomenting, reduced the appropriation for publicity, the "nameplate" was changed, as Straus explained, the writers transferred and paid from general funds.

"Articles were written," a congressional committee reported, "that would influence class against class, liberal against conservative, and inject ideologies sponsored by the planners into the minds of readers. 'Selling' the public on social theories and

ideologies apparently is high on the agenda of this agency of government."

The Indians, who for years have been completely nationalized and treated as incompetent children, are a living example of the stagnation of a socialized state. Congressmen with Indian reservations in their districts say the Indian Bureau fights any program for gradual freedom. It averages one employee for every 12½ adult Indians.

Control of certain mineral deposits is another important function of the Department, though not yet reaching its goal of dictatorship over all the natural resources of the country. The present Congress killed a department bill (HR 5312) requiring bids for oil and gas leases instead of granting a patent to the man who staked out the claim as has been customary since the first prospector plodded into the unknown with pick and grubstake. Undaunted by congressional disapproval, Davidson issued an executive order enforcing the features of the defunct bill.

"Interior's final objective is the end of free economy and free government in the United States," a New York congressman asserts.

In addition to the Department's constant war with Congress for more power, it steps on the toes of other Departments and agencies and spares no punches when taking over their functions.

"When you try to explain these matters to some 'Jassack' from across the river who never had anything to do with a constructive program in his life, you've really got to have some excuses," Straus told a roundup of his assistants in Salt Lake City.

Interior has its own agricultural department, including 160,000,000 acres of grazing and 28,000,000 acres of forest lands. It is concerned with navigation and flood control as are the Army Engineers and is deep in the fields of the Federal Power Commission, Rural Electrification Administration, Reconstruction Finance Corporation and other agencies.

Irrigation is the side door through which Interior steps in on other branches of government and tightens its grip on the livelihood of the people. It has no statutory authority over the waters of the country but, by embarking in irrigation, controls the many activities which depend on water as well as the water itself.

"Control of the water of a country means control of the country's business and the fortunes and destinies of the people and that is the goal of the department," says a Montana congressman from the arid West where water for his crops is the farmer's staff of life. Even more ambitious, the Bureau is starting to invade the East with dam projects.

Interior's Bureau of Reclamation operates 57 projects and districts irrigating 4,558,755 acres, 124 dams and 69 hydroelectric power plants with a capacity of 3,021,126 kilowatts and 7,388,000 planned. While such giant projects as Grand Coulee, Boulder and Bonneville would be built only by the Government, the facts are that systems built by private enterprise are irrigating more than 20,000,000 acres while the millions spent by the Government have brought water to less than 5,000,000.

Irrigation is the window dressing, the Mother Hubbard which covers everything and conceals nothing.

Under the mantle of irrigation, the campaign for socialization moves forward—control of business and industry through electricity, control of the

farmer through water and eventually control of national economy.

"In order to protect the land in the district against deterioration from improper use of water, the secretary will promulgate rules for following the appropriate methods of agriculture," is a typical notification to the Frenchman-Cambridge project in Nebraska. The Bureau thus imposes its own crop controls and rules. No user can get water for more than 160 acres with 160 additional for a wife.

Electric power and its strong position in the national economy is the big prize. Through its sale, the Bureau imposes its control on business, on competitors and on the people, even beyond the boundaries of a project.

Like other bureaucracies this Department plans to endure for generations. When the Government builds a reclamation project, its cost is now prorated over: 1. electric power, 2. irrigation, 3. flood control, navigation and fish and wildlife. The power users amortize their share, including replacements and maintenance, usually with 2½ per cent interest. Water users likewise are responsible but without interest. The third item is nonreimbursable and charged off as a government expense.

"How long will eastern taxpayers supply high sums of interest-free money for the benefit of a few?" an Alabama congressman asks. "Many citizens labor under the delusion that federal funds are free and not from the pockets of taxpayers but even those who water at the federal trough must be governed by federal control. Where federal funds go, federal control is not far behind and soon the federal Government will take over all state functions."

At present, water users organize a district which signs a contract with the government to amortize their share in 40 years, 2½ per cent a year, hoping then to be free of debt and crop controls. A perennial bill before Congress would change the water users' rate to one per cent. Aside from the good-

(Continued on page 83)



IRRIGATION is another way in which Interior steps in on the other branches of government and increases its hold on the livelihood of the citizens. By controlling the nation's water supply the bureau also is able to direct many activities which depend on water for their existence

They Sell Castles By Catalog

By RICHARD B. GEHMAN

REAL ESTATE generally is sold when a buyer meets a seller, but here's a firm that stages deals by showing only printed listed properties

WHENEVER he can get away from his duties as Warner Brothers' vice president in charge of production, Jack Warner hastens to the French Riviera, where he has a palatial residence at Cap D'Antibes. Warner's Villa Aujourd'hui, which conceivably could serve as a set for one of his more extravagant epics, is a modern concrete structure of 23 rooms and four baths, facing the Mediterranean. It cost him \$160,000, and he bought it, literally out of the mail, one morning in 1949.

On that day, Warner and 49 other top-bracket Hollywoodians received a four-page brochure announcing that the villa was available. It wasn't a particularly elaborate mailing piece; it displayed some pictures of the house and a table of facts about the location, grounds, outbuildings, equipment and taxes. But it was impressive enough to cause Warner to put a \$1,000 binder on the property and to dispatch his wife on an inspection trip. A month or so later, he was able to move in as owner.

Such long-distance, mail-order-style buying of real estate is becoming increasingly common. The Maharajah of Indor in 1948 became master of Pommel Rock Farm, a \$190,000 English Manor house in Greenwich, Conn., after first seeing it in a brochure similar to the one that Warner received. Mr. and Mrs. Raymond Massey bought their present home in Wilton, Conn., which had belonged to Lawrence Tibbett, in the same way, and so did Garson Kanin, the playwright, and his actress wife Ruth Gordon, who acquired a house Grace Moore once occupied.

These sales, and others like them, were due to the existence of the young and lively Previews, Inc., a 15 year old firm that calls itself The National Real Estate Clearinghouse. With offices in New York, Boston, Philadelphia, Palm Beach, San Francisco and Los Angeles, Previews has been responsible for some of the most elaborate intersectional deals, involving the most fabulous properties, ever consummated in the history of the real estate business.

A list of properties it has handled would include a \$1,000,000 cattle ranch in Nebraska, an Italian castle of the Medici built in 1460 for Lorenzo the Magnificent, a ghost-proof New Jersey house that has no corners for evil spirits to hide in, and scores of six-figure dream castles erected by American millionaires in the 1920's and other boom periods. Properties worth \$150,000 are as common in the Previews offices as \$10,000 cottages are in a suburban broker's headquarters, and cross-country or transoceanic moving are arranged as a matter of course.

One recent typical week saw the New York office arranging for a retired British army officer in Quebec to buy a home in Bermuda, helping a Bostonian buy an Oregon ranch, and assisting in the transfer of title to a Virginia plantation to a resident of St. Louis.

Yet, paradoxically enough, Previews never has collected one cent in actual sales commissions. The firm does not sell properties; it lists them, leaving all business and legal arrangements to brokers and attorneys. It represents, its officials proudly claim, the only really new



idea in real estate since the Egyptians invented the mortgage. Whether or not it is that, it is certainly a profitable one—although Previews officials will not state their yearly gross, they will admit that it has doubled every other year since they began. And it already has brought about profound changes in its field.

Real estate is the country's biggest business. Sales on Manhattan Island alone last year amounted to \$278,119,000. Including part-timers, there are about 275,000 brokers operating today. Even so, until about 15 years ago, real estate was hard to sell because it was hard to buy. There was no organized effort to facilitate intersectional sales.

When a New Yorker, for example, wanted to buy a farm in Lancaster County, Pennsylvania, he had to drive all over the landscape with a series of brokers, inspecting one property after another. The time and trouble often caused many potential buyers to give up in disgust and forget the whole thing.

The foregoing formed the basis on which Previews was founded. The idea came out of a conversation that took place one lazy summer afternoon in 1934, where three young men were lounging, appropriately enough, on the lawn surrounding a fine piece of real estate in Westchester County, New York. Two of them—Champness Terrence Sedgwick Keep, known as Terry, and his friend Charles Gleaves, had been Rhodes scholars at Oxford; the third, Henderson Talbot, was Keep's brother-in-law, a Penn State man and, at the time,

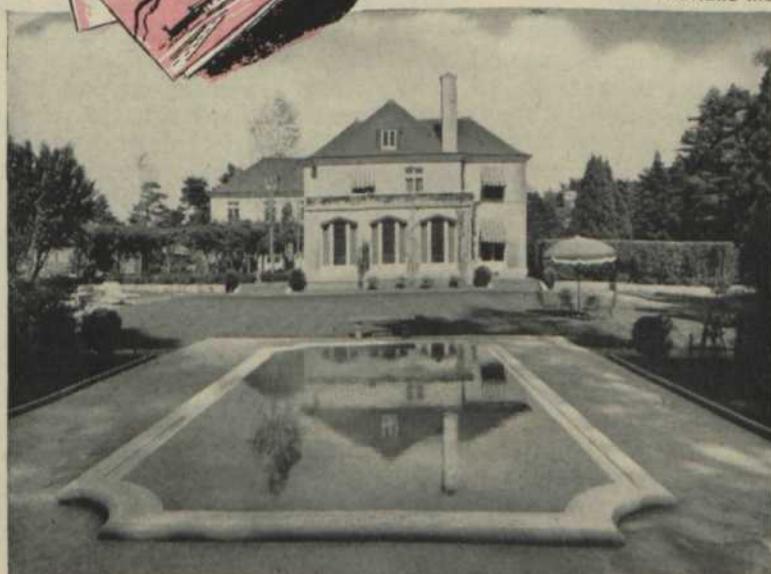


R. I. NESMITH
Prospects often call at Previews
to look over brochures on estates



The California estate on left could
be bought for \$110,000; ranch in
Arizona carried a tag of \$185,000

PREVIEWS INCORPORATED



manager of an apartment house development.

All three were in their early 20's, came from comfortable income brackets, and were looking for a new, challenging business opportunity. Talbot made the original suggestion. What real estate needed, he said, was a central bureau where potential buyers could go and see pictures and descriptions of properties for sale in areas of their choice—after which they would be able to visit the places that seemed suitable.

Keep and Gleaves, enthusiastic about the idea, immediately began raising money to back Talbot for a trial period. They decided that color movies would be the best medium to display properties at the central bureau. Since movies were expensive, they decided also to specialize in high-priced estates.

Their plan worked this way: property owners paid Previews one per cent of their asking price. Previews made approximately 300 feet of color film and showed it to prospective buyers or brokers. If a deal was closed, Previews took another 2½ per cent of the sale price.

John Tysen, 37 year old recently elected president, explains the plan this way: "All we've done is to apply the basic principles of business to real estate. It costs any property owner just about one per cent of his place's value to maintain it each month that it's in his possession—and therefore, when he decides to sell, he's losing one per cent for every month that it remains unsold. His equity grows with the speed of the sale. It's just cheaper to pay Previews the one per cent."

Within a year, the new firm showed such promise that Keep



Some large estates are reduced to subdivisions to quicken sales

tions, symbolize the unconventional, often laughable, transactions that the firm has concluded.

Keep and his associates found early in the game that color movies were impractical for several reasons, mainly their cost and the fact that the majority of brokers had no facilities to show them to clients. They began concentrating on illustrated brochures, ranging from four to 12 pages, some illustrated in color, which were sent to brokers everywhere. They also began publishing a quarterly catalog of properties in various regional areas. The catalog, a half-inch thick, lists more than 1,000 estates, sells for \$1, and has a circulation of around 8,000.

Previews actually has become a kind of wholesale house for real estate; it provides brokers in all sections with out-of-area properties, and helps them find buyers through advertising and promotion. It helps them in other ways, too: recently a Previews field man found a place in Vermont whose owner wanted to sell. The local broker hadn't even known the place was on the market; he inspected it and, through a Previews listing, sold it a few weeks later to a buyer from Long Island.

Another broker, operating near Valley Forge, Pa., was offering a farm. His best local offer was \$35,000. When he listed it with Previews, he ultimately obtained \$55,-

000 from a purchaser in Texas.

In the beginning, brokers were not wildly enthusiastic about the new business; one influential organization even boycotted it. Keep thereupon invited 15 of the association's directors to dinner in a New York club. Accompanied by his staff, he locked the doors at 7 p.m. and went to work selling his plan. By 2 a.m., when the tired brokers emerged, they had been converted. The next day the group unanimously recommended that its members do business with Keep and his partners.

Still, some brokers continue to object to the idea of a national clearing house, arguing that it increases competition by making local properties which should be handled by local brokers available to all. Tysen answers this simply: "Competition and turnover make for healthier conditions in any business—any broker worth his salt will get his fair share of profits." Previews insists that the firm does not compete for profits, due to Keep's original rule that each broker selling a Previews-listed property must get his full commission.

The staff now has grown to around 100, and includes several photographers and art and production men. "You can't just walk in and say 'Sell my house,'" says Carl T. Chadsey, vice president in charge of sales. "We go and practically live with your property. Then we tailor-make a campaign to result in the quickest possible sale."

By "quickest possible," Chadsey means jet-propelled. Recently a man turned up in the New York office and asked to see some Westchester listings. A staff man showed him 20 brochures and made an appointment with a broker to show him the one he liked best. The customer bought the estate within three days. It was a fairly typical operation, but sometimes such speed backfires.

Once a woman came in and offered her Long Island estate for \$100,000. Previews found her a buyer within a week, whereupon the lady indignantly said that she wasn't ready to move so soon. She refused to sell, took her house off the market and is still, as far as Previews knows, living in it.

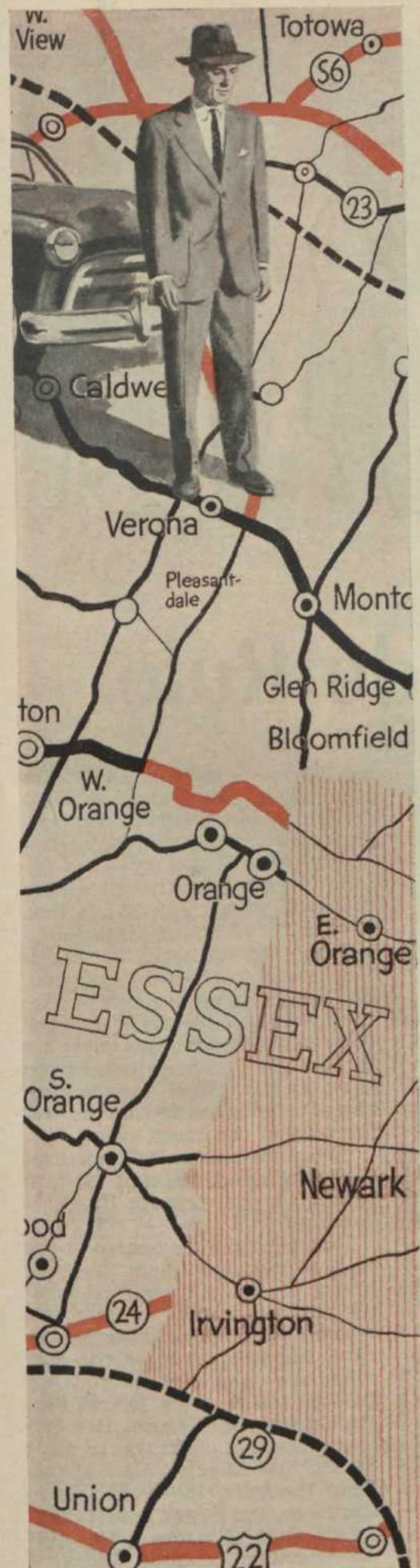
In order to sell or to get a better price, Previews sometimes resorts to changing properties physically. For years a Boston firm had been advertising an old-fashioned estate for \$35,000. Previews' plan-

(Continued on page 82)

John Tysen directs far-flung activities of 15 year old firm

left an investment counseling job in Wall Street to take over as president. He remained active until two years ago, when he went to Europe on a leave of absence. Gleaves is now chairman of the board; Talbot has retired.

Tysen, who had served as sales manager until his election to the presidency in 1950, is a tall, grave, prematurely gray man whose seeming austerity is belied by his warm voice and manner. He might well be said to be the personification of Previews: his apparent gravity represents the hard and fast business principles on which it was founded, and his gentle sense of humor, his penchant for interpolating slang in formal conversa-



Why this man toured Essex County for 3 months

ABOUT two years ago, the Board of Freeholders of Essex County, New Jersey, was faced with a tough problem.

The high accident rate among the county's 2200 employees had sent Workmen's Compensation insurance costs skyrocketing. And the insurance company that had been insuring these employees declined to continue the risk.

The Travelers man at the county seat was asked to look over the county's operation. He brought along with him a Travelers Safety Engineer.

On the basis of their report, The Travelers issued the needed insurance. And the Travelers Safety Engineer set about the intricate job of improving the county's safety practices.

For three months this engineer toured the county—reviewing past accidents and calling on supervisors of all departments and institutions. His survey resulted in a "grass roots" safety program reaching every employee.

This Travelers-engineered program worked so well that at the end of 1949 the County Supervisor was able to report to the Freeholders:

"Today personnel is more safety conscious . . . and the insurance carriers anticipate a much improved (accident) report over previous years. The Travelers Insurance Company has been the inspirational driver in this campaign . . . which should stop an annual rise in insurance premiums."

As officials of this county found out, accidents increase rates needlessly and hamper efficient operation. And the same is true in any manufacturing plant, on any construction job.

If the accident rate is troublesome in your business, we are sure a Travelers Safety Engineer can help you reduce it. These men can spot working practices that are apt to cause accidents. And they know how to correct them.

Any Travelers agent or broker can put you in touch with a Travelers Safety Engineer.

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YOU WILL BE WELL SERVED BY

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The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford 15, Connecticut. Serving the insurance public in the United States since 1864 and in Canada since 1865.



Touchdown by Slide Rule

By JOHN LARDNER

MORE than a coin is needed now to pick football pool winners with men of science behind each week's selections

BACK ABOUT 20 years ago, it occurred almost simultaneously to several strong minds that college students and alumni were by no means the only people interested in the outcome of intercollege football games. The rest, you might say, is history. From that day to this, the public at large has been absorbing seasonal advice, by newspaper and radio, on how to guess next Saturday's winners. A part of the public has been betting on its guesses, to the tune (in 1949) of about \$4,000,000 with bookmakers and \$10,000,000 in private, man-to-man wagers.

A firm distinction should be drawn here and now. The men who pick the winners for you do not advise you to bet. Most of them have no official, or even theoretical, interest in betting. They are football scientists, or, more informally, football nuts. When possible, they sell their forecasting

services to newspapers, radio stations, or the advertising departments of big business houses; but if they didn't sell, they would still be trying to pick football winners in the privacy of their homes, for the enlightenment of their wives or their goldfish.

Paul B. Williamson of New Orleans, chief wizard of the Williamson National Football Rating System, is an oil man and geologist. He first became interested in doping football games in 1912, as a parlor mastermind, and then in the early 1930's, when a serious illness kept him to his bed, branched out as a professional oracle.

Dr. L. H. Baker, maestro of Baker's Scientific Mathematical Football Forecasts, besides writing books on football, was a practising physician until his retirement this year at the age of 67.

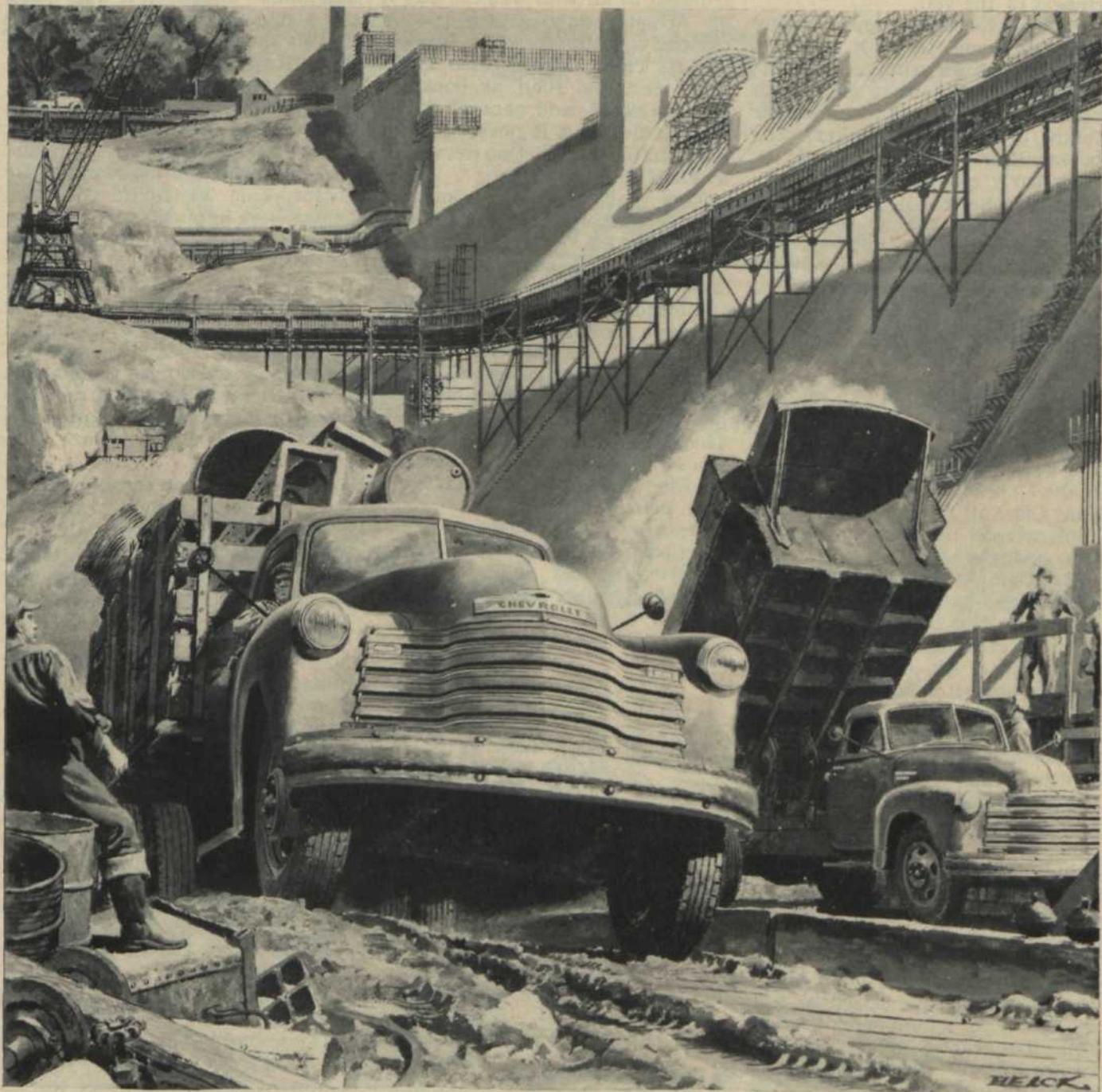
Dr. E. E. Litkenhous, a sectional seer who concentrates on diagnos-

ing southern football games for publication, is, more broadly speaking, the dean of chemical engineering at Vanderbilt University in Nashville, Tenn.

And, to show you that the call to prophecy strikes in all quarters, Joe Harris of Philadelphia was a waiter when he heard it. Harris sold his gift to a brewing company. As the eye of this firm, his predictions were read for a time over the American Broadcasting network by Joe Hasel, a sports announcer. It's true that Hasel became convinced after a while that he was the voice of the wrong eye.

"When he picked Williams over Columbia one time, and I heard myself say it," deposes Hasel, "I lost faith."

That is a familiar hazard of the trade of picking winners. The possibility of error is recognized by all the prophets, except in their own systems. Each pigskin Merlin believes his formula to be the only sound one—and that goes for Dick Dunkel, the Daytona Beach, Fla., soothsayer; Bill Board, the pioneer Chicago clairvoyant; Pitts Smith, the Mobile, Ala., augur; Dean Houlgate, the Pacific Coast stargazer; the Player Sports Service of Cape Girardeau, Mo.; the All-American Gridiron Index of California; and Williamson, Dr.



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IT'S A CHEVROLET JOB!

Big job? That's one for Chevrolet trucks with Loadmaster 105-h.p. engine. They're loaded with power—greater *net horsepower* than any of the five most popular standard equipped makes in their weight class, 13,000 to 16,000 lbs. G.V.W.* And here's the payoff on payloads, too. Chevrolet's economy of operation and upkeep, and rock-solid construction let you deliver the goods at *low cost per ton mile*. But that isn't all! In every other way, Chevrolet is a leader. When you see these trucks you'll know it for fact. You'll know why they out-sell all others, year after year! See your Chevrolet dealer.

*Gross Vehicle Weight



**ADVANCE-DESIGN
TRUCKS**

CHEVROLET MOTOR DIVISION, GENERAL MOTORS
CORPORATION, DETROIT 2, MICHIGAN

Baker, Harris, and all the other rippers of the veil.

College football's appeal being the flavorsome thing it is, it's a quick step from reading a handicapper's predictions to making an office, or barroom, bet with another fellow, or with a bookmaker. The bookmakers were confused by their early contacts with football back in the early 1930's. They rushed around asking each other "What distance do they run? Six furlongs?" But, anything that can be experted can be booked, and the bookies caught up swiftly.

A true tale of the early days concerns one of Boston's biggest professional gamblers. Accustomed to traffic in horses and fighters, he decided to call in outside help, in the form of a young college graduate who had played the game, to make up his first football book. At that time, all football betting (except private, man-to-man wagering on single games such as Army-Notre Dame or Harvard-Yale) was done by so-called "parlay cards," on which the better had to pick four out of four, or five out of five, or six out of six, and get them all right. Our Boston bookie knew how to set the odds—he gave 10-1 against four winners, when the proper odds are 15-1; 16-1 against five winners, which should be 31-1; 25-1 against six winners, which should be 63-1. But he needed expert advice in making a list of tough games for his card, and there he relied (perhaps with his fingers crossed) on the college man.

For some weeks, the man was loyal to his employer. Then, late in the season, he was seized by a fit of loyalty to his old school, whose sons, like practically everyone else in Boston, were trying to beat the card. He inserted a soft touch, a one-sided game. The bookmaker, as ignorant of football form as an Eskimo, printed it. The number of winning cards that week was tremendous. The bookmaker refused to pay off. He also detached the college man from his payroll.

"No \$%#*#*\$ is going to make a sucker out of me," he announced, and that was that.

That has been that ever since. No bookmaker needs to know football form nowadays, though some of them, as a matter of personal pride, have come to know it pretty well. For the past few years, the nation's betting commissioners have been protected by a service known as the Minneapolis Line. The Line—a line of betting odds based on the probable point differ-

ence in each game—has been distributed to all who want to buy it by Athletic Publications Inc., a company with offices in Minneapolis. The company also offers other services, such as booklets, press releases, and general sports information, but it never has denied that its prediction service is its chief claim to fame.

This year, what with Congress looking sharply into the gambling traffic, and many district attorneys doing the same, the company has shown a disposition to fade from the forecasting picture. But there will be a football betting line just the same, wheresoever and by whomsoever it is compiled. Bookmakers cannot afford to be without one in the autumn—not when \$400,000, a conservative, professional estimate, is bet on football in the United States each week with bookmakers alone.

Here we return to the firm distinction mentioned above—that between football forecasts aimed at the gambler and predictions,



Football seers are slightly less abstruse than relativity

which, though sold to newspapers and the radio, are fundamentally works of love. I should point out that the National Collegiate Athletic Association, the ruling body in college sports, does not make this distinction. Homer Cooke, an N.C.A.A. spokesman who runs its service bureau, takes the official line that anything that might encourage students and the general public to think of football rivalry as transcending the rest of college life is unwholesome and productive of a false set of values. He is obviously right. But just as obviously, he is bucking bigger odds than the unhappy fellow who tries to beat a football "parlay card."

In the fall, people argue about

who is going to win Saturday's ball game—and, even if they don't bet a nickel, they pick a winner. That is the passion shared by public football wizards like Paul Williamson and Dr. Baker. The main difference is that Williamson and the doctor are full-time students.

Take Dr. Baker's case. In the early years of the depression, the doctor, Yale '04, found that two things were happening:

1. He could find relaxation in football.

2. So could lots of other people.

In response to item No. 1, he worked out Baker's Scientific Mathematical Football Forecasts. In response to item No. 2, he began to sell them, at first to a business house in Omaha, then for newspaper, radio, and private circulation.

"I don't say that no one ever bet on a winner I picked," says the doctor, a small, round, bald, and scholarly looking man. "I know what human nature is. My goodness, when I was an intern, we used to bet on who could throw a quarter nearest to a crack in the floor. But betting is no business of mine. I have a mathematical turn of mind, and I just like to apply it to figuring out football games."

Mathematical is the word. The doctor bases his forecasts, first on a general gradation of teams, all the way from A1 plus down through D minus. He considers past performance, injuries, morale, and some 28 other factors. A finished Baker prediction looks like this:

"Ohio State 893 A1 61-21 3-0-0
Purdue 16-14.

"Northwestern 830 A1 99-31 2-0-1
Michigan 7-14.

"Ohio State had lucky win by 1st period safety. Battered by Purdue. Could make little headway. Northwestern jittery, lost Michigan game through bad judgment and fumbles. A grim fight here. Select OHIO STATE 1 pt. Can tie."

The key figures are the 893 and the 830. Your correspondent has watched the doctor arrive at them, working coldly and cleanly, but for all I, personally, can tell, he might just as well have got there by ophiomancy (divination by snakes), catoptromancy (divination by mirrors), or ceromancy (dropping melted wax into water).

Breaking down the above Baker sample as well as I can, I would point out that it contains the national rating of the two teams (A1), the points scored by and against them to date (61-21 and

(Continued on page 86)

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If you're the kind of businessman who values the wisdom of making little savings add up to large ones, then you ought to know about *today's* long-life Westinghouse fluorescent lamps. The many technical advances made on these lamps in the last year or two have resulted in economies really worth having—regardless of the number of tubes you may use.

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With sulphate-cooked fibers added, permanence, foldability, dimensional stability make Hifect ideal for covers or any fine letterpress printing.

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For finest offset printing. Provides a moisture-and-pick-resistant coating. Offers outstanding foldability. Renders colors without loss of density.

New TRUFECT*

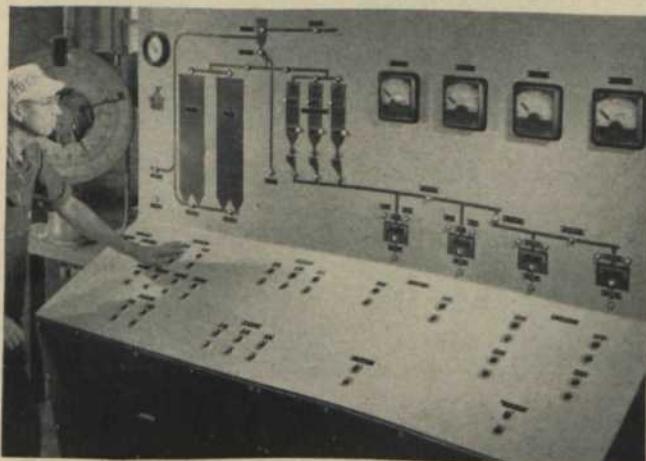
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An economy sheet for volume printing. Now Multifect has added strength, better foldability, greater uniformity ream-on-ream than ever before.



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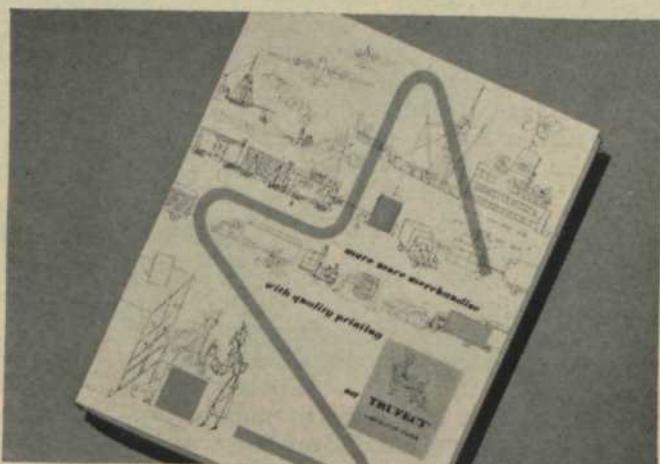
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How Prepared is Your Plant?

By DONALD ROBINSON

IT TOOK only 48 hours last summer for the Jerome F. Gould Corporation of Brooklyn, N. Y., to mobilize for war. "We'd expected this situation and were set for it," says Jerry Gould, firm executive.

A few days after the shooting in Korea started, an officer in the U.S. Army Signal Corps drove up to the commercial packing organization. Some 40 employees normally are engaged in preparing automobiles, refrigerators, and the like, for export.

"The Signal Corps has a lot of delicate electronic equipment which has to go overseas right away," the officer told Gould. "It requires special packing for combat conditions. Can you do it?"

"We're awfully busy," Gould declared, "but we'll do it."

"How soon can you start?" was the next question.

"Inside a week," was the reply.

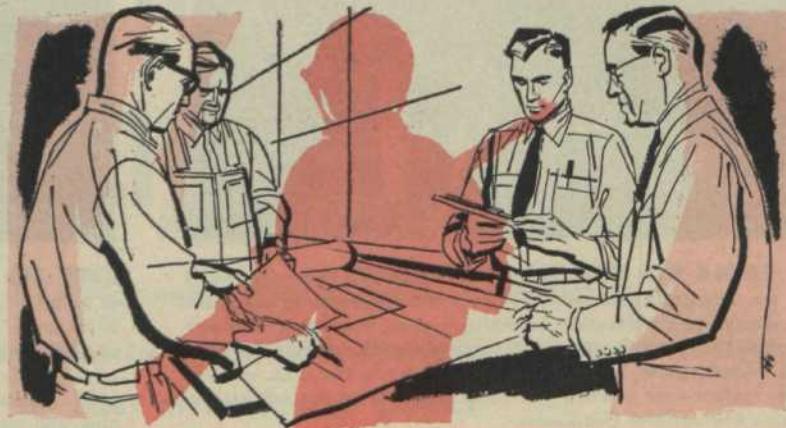
Gould didn't need a week, though. Small as his concern is, he had a full-scale industrial mobilization plan ready. In it were listed the names and addresses of men skilled in packing fragile military instruments, arrangements for additional working space, rosters of supply sources for special packing materials, as for example watertight crates that can, if necessary, be floated ashore in the face of enemy fire. By using this plan, Gould was able to get the Signal Corps program under way in exactly two days.

"Our planning paid off," he says.

With world conditions as they are today, the nation's experts on industrial mobilization are urging business men to learn a lesson from the Brooklyn corporation.

"It is essential that industry and business make plans at once for the role they're going to play in the preparedness drive," says W. Stuart Symington, chairman of the National Security Resources Board.

Says Ferdinand Eberstadt, who served as vice chairman of the War Production Board in World War II, and who headed a "task force" of the Hoover Commission which investigated the national security organization:



MOBILIZATION of workers and equipment to meet ever-increasing demands of our armed forces is the immediate need of the country. Industry again is required to take rapid inventory of its resources

"No one, save possibly the Soviet Politburo, can tell whether we are actually heading into World War III. However, it is certain that we are entering a period of economic mobilization that will require the support of every industrialist and business man.

"It is imperative — from the point of view of the country as a whole, as well as for their own sakes—that our industrialists and business men, big and little, realize what lies ahead and start preparing right now."

How much of the economy soon will be converted to preparations for war is, at this time, uncertain. No one yet knows whether we'll be called on to equal the record of the last war when we had to allocate 40 per cent of our industrial production to direct military purposes, make use of 36,000,000 men and women as soldiers or war workers, and spend more than \$300,000,000,000.

This, though, is sure: We are definitely going on a war footing. Already we have allotted several billion dollars for this year's defense measures, and the Munitions

Board, the Defense Department agency in charge of procurement, says that at least \$41,000,000,000 more may be spent this year if the situation grows hotter.

And, war or no war, these preparations are likely to continue for a long time.

"We may not again in our lifetime have a truly peacetime economy," says economist Sumner H. Slichter.

What this all adds up to is that most business men soon will have to face the problem of how best to fit their operations into the war program; of what they can do to avoid making the mistakes of the last war.

The first problem every business man will meet, the experts say, is what to do about the confusion that invariably accompanies conversion from peace to war production. Careful advance planning is the solution. Every business concern, they urge, should draw up its own industrial mobilization plan.

Such a plan, once drafted, is merely the initial step. More important to most business men is the problem of finding a place for

"The finest fire apparatus in the world ...but can we afford it?"



For the sake of you and yours and as a civic-minded citizen, phone your fire department today and find out if some of the apparatus is over 15 years old and therefore may be obsolete.

Don't blame your city fathers or your fire department if you find that some of the vehicles are ancient 2-wheel brake jobs. They are trying to make your tax money go as far as possible.

Just tell them that it is easy to replace the old equipment with the finest in the

world. For, depending on your local ordinances and the financial status of your town, Mack will help finance the purchase of replacements on a deferred yearly payment plan.

It's good business to pay for Mack's this way — for *Macks outlast them all!*

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Special note to Fire Chiefs

Compare specifications and service facilities. Mack gives you that extra margin of power and dependability, with service and spare parts nearer at hand. Write for folders to Mack Manufacturing Corporation, Fire Apparatus Division, Long Island City, N. Y.



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their concerns in the war effort. This will not be a serious matter for the big industrial outfits; they will be—in fact, many of them already have been—assigned more work than they can handle.

"Our idea is to get the large companies lined up," Maj. Gen. P. W. Timberlake, director of the staff of the Munitions Board candidly states, "so that we will have the greatest proportion of our needs taken care of in the event of war."

But government leaders insist that small businesses—defined by them as firms with 500 or fewer employees—will "get a break" this time.

Meanwhile, what can they do?

stadt. They suggest further that small business men might do well to "team up" in approaching the big companies.

A number of small manufacturers and machine shops in Charlotte, N. C., the Board asserts, had great success when they did this during the last war. Some 12 companies decided to join forces and go after war contracts as a group.

Led by E. A. Terrell of the Terrell Machine Company the firms established the Charlotte War Products Pool, with a central engineering organization comprised of engineers employed by the various pool members.

A survey of the members' plants

so good that additional orders for parts and assemblies poured in. Within two months, the pool was working on more than 200 orders.

In the three years between 1942 and 1945, the pool handled nearly \$20,000,000 worth of war contracts.

"To the individual companies," Terrell says, "it meant the difference between life and death."

Some small business men will go after prime contracts from the armed forces anyway. If they do, they should bear in mind that Washington is not the place to hunt for orders. Most service buying is done by procurement officers in the field.

A Chicago manufacturer, a "little fellow" who makes automotive parts, found that out recently.

When the Korean war erupted, this manufacturer boarded a plane for Washington.

"How do I go about getting a contract?" he inquired at the Pentagon.

"Where are you from?" he was asked.

"Chicago," he said, giving his address.

The WAC officer behind the desk smiled as she wrote out the street number to which he was to go. It was two blocks from his office—in Chicago.

A small business concern, the Pentagon explains, should visit a local procurement officer as soon as possible and outline to him its capabilities for war work.

What kind of contract should the business man who gets a direct order from the services accept?

Not long ago, the National Industrial Conference Board asked various industrialists what type of wartime contract they preferred.

Most preferred the fixed-price type of arrangement. They maintained that:

1. It encourages management to reduce costs more than a cost-plus basis.

2. It obviates the need for a special set of records for government business.

3. It avoids questions on inadmissible costs.

Once a concern has obtained its share of work, its difficulties will just have begun, of course.

Washington says that strategic materials are going to be "tighter than a drum." This means that business men must find substitutes for hard-to-get items.

"And now is the time, not afterwards," the N.S.R.B. warns, "for manufacturers to work out their program of substitutes."

Hoarding won't help, it was em-

Draw your own mobilization plan

JUST what should this incorporate? The National Industrial Conference Board asked a large number of leading industrialists: "Can you tell us what points a mobilization plan by a private company should cover?" The answer boiled down to five major points. Each concern's plan should provide for:

1. Establishment of a clear-cut organization—within the regular organizational setup of the company—to handle war business.
2. Preparing a list of production facilities, equipment and available manpower.
3. Development of a roster of necessary technical and engineering personnel.
4. Analysis of World War II production records and their comparison with current capacities and facilities.
5. Listing war work the company is qualified to undertake.

Eberstadt's advice is:

"As a general rule, small business men would be wise to concentrate on lining up work as subcontractors.

"Every small business man who thinks his concern can contribute to the program should contact the larger industrial companies in his area and the other concerns with which he ordinarily does business and acquaint them with his facilities and the kinds of things he can do. In that way, he will be working with people who know him and can fit his operations into a well-schemed plan of production."

National Industrial Conference Board officials agree with Eber-

stadt. and a list of their facilities followed. This list was sent to all large prime contractors in the region.

Inside 72 hours, the phone rang in Terrell's office. The call was from an electronics manufacturer.

"Can your group make a radar assembly?" he was asked.

"We sure enough can," Terrell declared.

"Good, I'll send an engineer over with the drawings."

The work on that first contract was distributed among the shops best equipped to handle it, with the central engineering organization supervising the individual manufacturing operations. Results were

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R. E. CRANE
PRESIDENT
ELJER COMPANY

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phasized. The Government unquestionably will have the power to requisition excessive inventories.

Machine tools will also be scarce.

The one bright spot here is that the Government has built up a reserve of such tools and has made arrangements through the N.S.R.B. for the production of more. At the Pentagon, it was said that any manufacturer working on war orders would be aided in obtaining necessary tools.

"War plants in need of machine tools should consult their local procurement officers," it was said.

Along with these major bottlenecks, there will be a plethora of minor stumbling blocks. Inspection will be one. Just as they did the last time, the services are going to insist on rigorous examination of all goods made for them.

"There are numerous reasons," the Navy Department declares, "why our inspection is more rigid than that made of materials sold for normal commercial enterprise. A few are: Safety to life; the necessity for all types of materials to withstand the additional loads and stresses to which they are subjected due to movement and work-

ings of ships in heavy seas; the vibration and shock of gunfire."

The way to elude trouble in this respect, the Navy says, is to follow the specifications laid out.

Many manufacturers ran into difficulties during the last war, the Navy explained, because they overlooked this rule. One manufacturer got into a jam because, unable to get the exact steel called for in his contract, he used a better grade without informing the Navy. The entire order was rejected. Only then did the manufacturer learn that the item he was making was for use in a safety valve. The better steel actually was a disadvantage.

Shipping is going to be another snag. Consultation with local procurement officers will pay dividends here, too, the services say.

Over and beyond production questions, business men also will have to face the plant protection problem. Adequate guards, fences and alarm systems will be needed. Personnel records will have to be checked to weed out extremists.

In addition, precautions will have to be taken against bombing attacks.

Some experts are counseling



"She is now in San Diego—wants to go back to Frisco, with stopover privileges at Pasadena and a roomette on the Chief leaving the 17th. She'll be back here any day now!"

business men to microfilm their key documents and store the film in remote areas. The Committee on National Security of the New York State Chamber of Commerce takes this position:

"Imagine the tremendous difficulties that would be encountered in recreating the essential records of a company unless duplicates were available and maintained in a location not liable to attack."

Is there a need for the average business concern to shift its operations away from a vulnerable area?

The N.S.R.B. says "No," except in the case of a few ultra vital plants. It feels that it would not be economically feasible to shift huge numbers of plants. It does, however, recommend that any business concern contemplating an expansion of its facilities consider locating its new plant in a town of less than 50,000.

The worst headache for business men involved in war work will, naturally, be the usual, old-fashioned government red tape. There's no doubt that unification of the Armed Forces has brought about some reduction in this, with more than 84 per cent of all service procurement now coordinated. The Army does all buying of such items as food, automotive equipment and lumber; the Navy handles purchases of such things as solid fuels, ships and clocks, and the Air Force procures all photographic equipment and film. As a result, business men don't have to deal with several different agencies at the same time.

Nonetheless, there still will be widely varying sets of specifications to be met. Right now, some 18,500 different specifications in use by the military departments are listed in 17 cataloguing systems! And there still will be mountains of papers to be filled out.

What can be done about this red tape? Nothing, say the experts. That's the Government and it can't be changed. Business men will just have to grin and bear it, as did the Pasadena, Calif., plastics manufacturer who wrote the Pentagon asking for information on military procurement.

The answer he received was a classic. In the envelope with some pamphlets on Army procurement was a letter in which a colonel permitted a telling typographical error to slip by.

"We trust this material will be of help to you," the colonel wrote. "Should any further information regarding procurement be required, we will endeavor to resist you."

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America's Paper Curtain

By GEORGE FIELDING ELIOT

CUSTOMS procedures adhered to in the guise of protecting the revenue damage our foreign trade

CUSTOMS Agent Johnston was a tired man. His name really wasn't Johnston, of course, but that highly specialized investigative outfit, the Customs Agency Service, isn't eager to publicize its agents' names.

The agent had been going through the records and correspondence of a medium-sized firm which imported jewelry and novelty items. There were a lot of complicated valuation and classification questions which might eventually involve customs claims for additional duty—perhaps even a suit in Customs Court.

Suddenly he straightened his shoulders. He was looking at an invoice covering a gross of Swiss watch movements. The firm had bought them from a much larger concern of importers, whose reputation in the trade and with Customs officials was not exactly A-1. The price seemed to Johnston to

be figured on a basis which didn't accord with standard practices in the trade. He made a little note to look further into the matter.

That note started an investigation which uncovered a long career of chiseling by the larger firm—a career involving carefully doctored invoices and phony valuations. Additional duties and penalties due the United States Treasury totaled \$6,828,505. Honest importers, relieved of a crooked competitor who had been underselling them for years, raised a cheer for Johnston and the Customs Service.

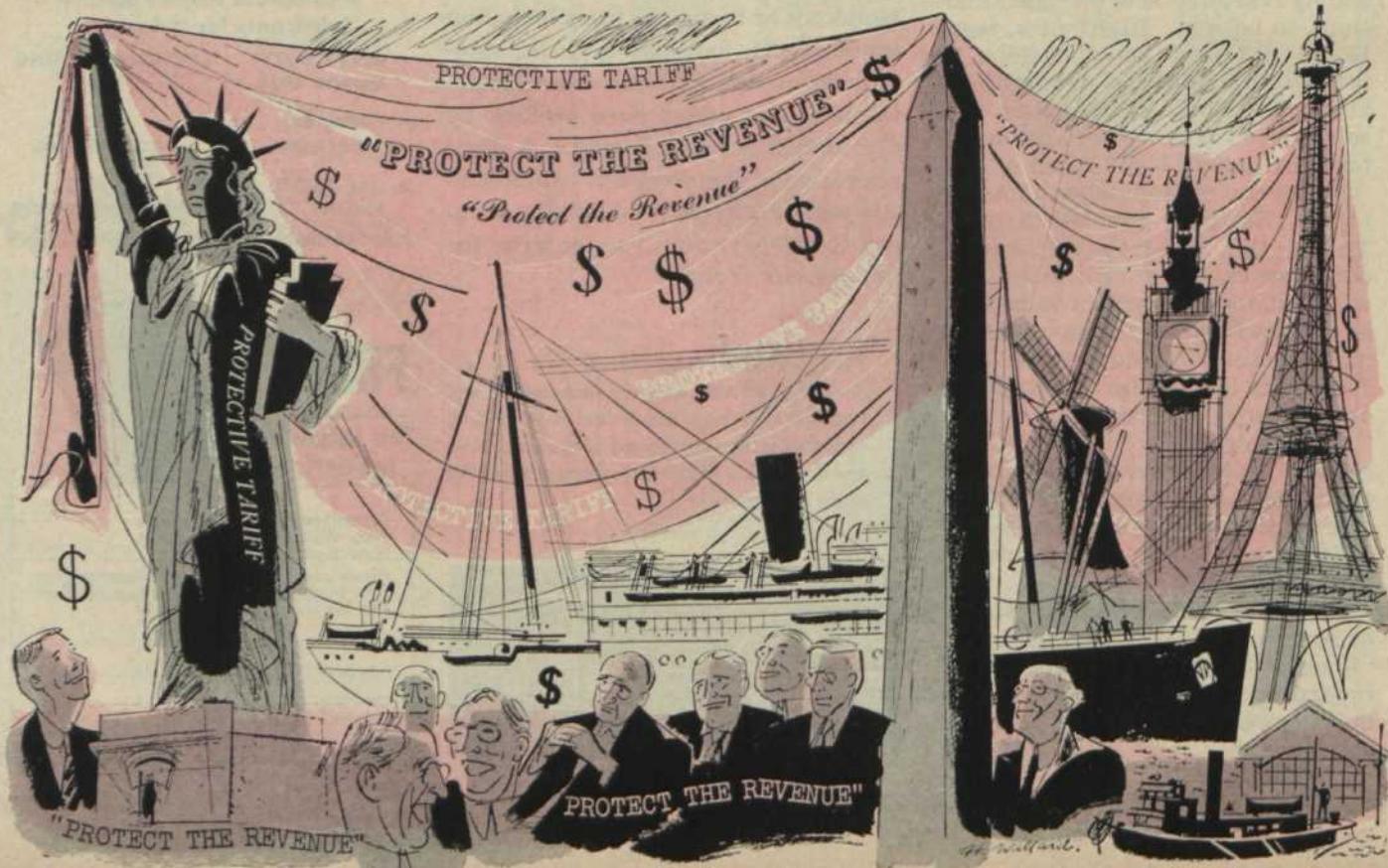
But it was a cheer solely because a crook had been nailed. Most of Johnston's activities during the day he first noticed the suspicious invoice would have occasioned no cheer from any U. S. importer—or from any foreign exporter seeking to enter the U. S. market.

Those activities were a part of the most ancient and honored

tradition of the Customs Service, oldest of all our governmental agencies: the tradition that Customs' paramount duty is "protect the revenue." The spirit which that motto inspires offers a serious, if not always visible, barrier to imports. Our whole system of customs procedures has been aptly called "America's paper curtain."

It's a curtain of complications, uncertainties, administrative and judicial "snafu" through which all our imports must somehow find their perilous way. It's a curtain whose existence keeps a big red question mark on the cost sheets of every importing firm in America long after the goods have come into the country, often long after they have been sold in retail trade. It's a curtain whose hazards have frightened or forced away from U. S. markets many a foreign exporter with merchandise to sell and which those markets readily could absorb.

U. S. top policy-makers, from the President down, are seeking to tear this curtain away, with the enthusiastic cooperation and, indeed, at the urging of trade and industrial



organizations. Elimination of out-worn customs procedures is an essential part of the new drive to increase our imports and thus give foreign countries a chance to earn the dollars which we now give them in handouts.

"The only substitute for a gift dollar is an earned dollar," says a recent report of the Chamber of Commerce of the United States.

In the wider view of American policy, the recovery of western Europe in particular is essential to our security against the challenge of militant communism. In the narrower, purely commercial view, as Curtis E. Calder, vice president of the National Association of Manufacturers, puts it, "the United States must increase its imports of foreign goods and services or face a substantial decline in exports, which will create serious economic problems for this country as well as for our foreign customers."

IF IMPORTS aren't increased, Paul Hoffman, ECA Administrator, recently told a congressional committee, our trade with western Europe will inevitably seek its own level, eventually balancing off at about \$3,000,000,000—a level which will throw Europe into chaos and cause a fall in our export trade resulting in serious economic dislocations here.

Tearing down our paper curtain will involve little less than a revolutionary change in popular and congressional attitudes on foreign trade. If the tradition of "protect the revenue" has been narrowly interpreted and harshly applied—as it has—it isn't so much the fault of customs officers as of the spirit in which tariff and administrative laws have been written and interpreted.

It is a spirit inherent in the attitudes of the successive Congresses which have passed the basic laws. Up to 1930, when the Hawley-Smoot Tariff Act was passed, it was the spirit of the people at large. It is the spirit of protectionism for American business against the competition of foreign producers with so-called "cheap labor."

Some congressmen even today seem to take the attitude noted by Percy W. Bidwell in his book "The Invisible Tariff," that "importing is a privilege, not a right, and that bringing foreign-made goods into this country is not a suitable occupation for patriotic citizens."

No one can read through the Tariff Act, listing more than 5,000 classifications of separate items,

without realizing that it was the intent of Congress that the highest possible rate of duty always should be charged in any doubtful case, that every transaction should be loaded against the importer and that no opportunity for gouging out additional duties or loading on penalties should be overlooked.

But a changing world demands changing policies—or stagnation and decline.

Revenue-wise, customs receipts are no longer of great importance. They represented 90 per cent of the Government's income in our early days, 50 per cent in the 1890's, and were a substantial 15 per cent as late as 1930.

Today, however, customs revenue has sunk to an insignificant nine tenths of one per cent of Uncle Sam's annual budget receipts: \$389,000,000 out of a total intake of \$42,700,000,000 for the fiscal year 1949. Protecting this minor fraction of our revenue can't stack up against the benefits to be obtained from an increased volume of foreign trade.

The Treasury already has made a beginning. Certain administrative changes have been made which rip open a few holes in the paper curtain. Procedures for weighing and testing bulk shipments have been simplified, notarization requirements reduced, red tape surrounding customs bonds slashed and other minor improvements put through.

BUT most of the difficulties are enshrined in the law or in court decisions. New legislation—embodying a new intent—is needed. To meet these needs a bill—the Customs Simplification Act of 1950—was introduced in the present Congress by Rep. Robert L. Doughton of North Carolina, chairman of the House Ways and Means Committee. The experience and opinions of such private organizations as the Chamber of Commerce of the United States, the United States Council of the International Chamber of Commerce, the National Foreign Trade Council and the National Council of American Importers played a part in drawing up the provisions of the bill.

Speaking at a dinner meeting last February, Assistant Secretary of the Treasury John S. Graham sketched the new pattern for the customs officials.

"Accelerated international trade," he said, "is a prime factor in the progress of the free peoples of the world toward better eco-

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nomic conditions. The personnel of the Bureau of Customs occupy a pivotal position with respect to the flow of international trade, since the United States market is a source of needed dollars for the exporting countries abroad."

There wasn't a word in Graham's half-hour speech about "protecting the revenue." It was all about "boosting trade."

But Harry S. Radcliffe of the National Council of American Importers was still a little skeptical. Traditions die hard. Changes in the law and regulations, he said, "will certainly fail to encourage a flow of desirable imports unless all customs personnel from examiners and appraisers to top policy officials in the Bureau of Customs are able personally to rid themselves of the old 'protect the revenue' and 'import if you dare' concepts."

As it stands, he went on, the new rules will depend on "day to day administration by customs officials from the Treasury Department down to customs clerks who have been schooled in the tradition that they must 'protect the revenue' at all costs including, if necessary,

supertechnical interpretations that completely frustrate importers in their efforts to find out where they stand."

He was speaking with the voice of unhappy experience. Under the old rules administered under the rigid interpretations that have grown up through the years, many artificial and unreasonable barriers still remain in the path of imports. Most—though not all—of the troubles arise under two heads: classification (what is it?) and valuation (what's it worth?). Only Customs seems to have formed the habit of asking, "What can we call this thing so we can charge a higher rate of duty on it?"

"Your customs classifications, my American friends," Glen Fouche, head of the Stayform Company, a British producer of ladies' foundation garments, told a group of American visitors, "are really fantastic. I wouldn't be a bit surprised to discover that one of your appraisers was classifying Stayform products as meat-packing devices, while a chap at another customs port, of a more romantic turn of mind, insisted on

calling them jewel cases. For the credit of British chivalry we should naturally prefer the latter point of view, but we'd prefer above all to know from day to day exactly where we stand."

"European exporters," says an ECA-Commerce report, "should actively seek U. S. buyers, not wait till buyers arrive at their shops or plants. They should personally study U. S. markets and methods, and set up trade-promotion staffs in the United States." But there are customs complications to carrying out some of this good advice, as the enterprising Dutchman who arrived with a load of sample pottery discovered. Oh, yes, samples were admitted free—but under bond. Cash bond.

"What? Your country's exchange control doesn't allow you to bring out enough cash to cover the bond? Well, isn't that too bad?"

OR TAKE our marking regulations. All imported articles must be marked with the name of the country of origin. The Treasury has interpreted this to mean that every single spring clothespin brought in from Sweden must be marked "Sweden," though they are sold in boxes of a dozen at retail and marking the box would seem adequate notice to the U. S. housewife that she's buying foreign goods.

The same marking trouble applies to bricks from Holland. Every brick must be marked, though lumber—under a special dispensation from Congress—need not be marked at all.

What happens in dealing with the myriad of new products which science and invention have given the world since the Hawley-Smoot Tariff Act was written sometimes proves fantastic. The law is so worded that customs officers must cudgel their imaginations to find some fancied resemblance between the new gadget and some article listed in the Act.

Probably most of this nonsense would disappear if customs officers were allowed ordinary discretion and given to understand that the old policy was out the window. After all, they're citizens as well as officials. They have their country's welfare at heart. They understand the global scene rather better than most citizens by reason of their occupation. They know that the free world faces a challenge from Soviet aggression, a challenge which can only be met by a healthy, thriving free economy. I've talked with dozens of customs



Popular and congressional attitudes must change to bring about a necessary improvement in foreign trade relations



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officers of all grades and, although some of the older ones may wear their "new look" a trifle awkwardly for a while, I think they'll get used to it without too much difficulty.

It was, for example, a customs official who suggested the issue of the new Treasury booklet entitled "Customs Information for Exporters to the United States," which gives foreign exporters some much needed information in compact and handy form.

There'll be some resistance to the new policy, of course. Every move toward increased imports has brought anguished cries and there are indications that the opposition, hitherto sporadic, is getting itself organized for battle.

BUT the evidence begins to pile up that the new look—for the Customs Service and for our import trade in general—is here to stay. As far as Customs is concerned, give them a new administrative law, new regulations, and a revised

attitude by the courts, reflecting understanding of a changed "intent of Congress," and even the older men will soon be taking it in stride.

Already many have seen the dawn of a new day. The other afternoon I heard one of them talking on the telephone to a harassed importer.

"Take it easy," said my Customs friend. "No, don't write me any blank-blank letter. Come on down here and talk to me. I'll give you a break if I can figure out a way to do it. But let's not write it down on paper—not yet. When this new deal that's coming along is actually on the law books, then you and I can work things out on a business-like basis."

That's the spirit that'll tear down our paper curtain for good. A "businesslike basis" is all that the importers have ever asked of the Customs people, and it is beginning to look as though they're going to get it.

Bank Failures Take a Holiday

(Continued from page 35)
eral prison. He soon regained 40 of the lost pounds.

The tension sometimes becomes unbearable when the bank examiner shows up at a shaky bank on a surprise visit, as he tries to do when he suspects anything wrong. In a tiny Virginia town, an elderly banker whose \$125 a month salary helped explain his \$30,000 shortage, died of a heart attack after the examiner walked in. A trust company president who had milked an estate left to charity committed suicide when it was found he had converted every last security in the portfolio to his own use.

Probably there is no greater humiliation than that of the man of integrity who is exposed as a thief, as happened in the most elaborate embezzlement scheme FDIC officials have come across. Until 1948, there was a prominent police court judge in New Jersey who was also a stockholder and general counsel in a bank owned by his family.

In addition, he was two things which escaped public attention during the two fast and furious years in which he acquired and spent \$600,000. He was, for one thing, a player of horses that ran out of the money.

He was also a dabbler in the real

estate business, and in a most curious way.

For example, on April 23, 1948, his family's bank issued a \$49,000 cashier's check payable to a certain man and his wife. They, it appeared, endorsed the check over to the judge, who deposited it in his account.

WHAT happened was that the judge, observing a local apartment building for sale, made application to his family's bank for a mortgage on it, as if the couple had just bought it. In reality, they were a product of the judge's imagination, and so was the abstract of title which he provided to establish their ownership.

In this way, the judge was able to obtain 20 checks in sums ranging as a rule from \$25,000 to \$50,000. Such an excellent source of revenue made him one of the bookies' best patrons, so much so that when he was caught and sent to the state penitentiary he took three convicted handbook operators with him.

The FDIC had to invest more than \$1,500,000 to bail out the bank's depositors. In rescue acts of this sort, the corporation often winds up with some strange assets on its hands.

In 1940, for instance, it acquired two crypts in a Fairview, N. J.,

mausoleum, one occupied and the other vacant. It was nine years before the FDIC could find a buyer, at \$1,100.

Assets for liquidation have included apple orchards, vineyards, dairies, rice farms, sheep, wheat, cotton, brick kilns, foundries and sewer pipe. The FDIC even owns an Idaho City placer gold mine which it acquired in a 1942 bank liquidation.

The FDIC also wound up with 80 lake cottages in Wisconsin to sell, the result of a real estate promotion bubble which burst, with a small-town bank in the middle of it. That was one of the three bank failures in the past four years not involving anything worse than too-risky investment, formerly the cause of the majority of bank closures.

THE corporation is willing to take its time unloading its cats and dogs. This is part of the reason it has been able to hold its insurance loss to only \$25,000,000 in 16 years of operation—\$84,000,000 when you figure in administrative expenditures, too.

Such good fortune and financial tidiness has enabled the FDIC to pay back the \$289,000,000 of working capital originally borrowed from the United States Treasury and the Federal Reserve system and still wind up with \$1,200,000,000 in its anticalamity kitty.

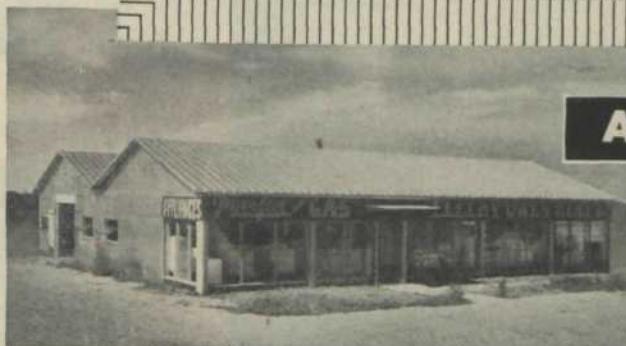
Admittedly, "federal deposit insurance has not yet been called on to meet the test of a major business depression," Harl agrees. It is his belief, nevertheless, that the dividend of public confidence paid by prevention of deposit losses has made the crash of banks a thing of the past, no matter what may come in the future.

Some banking experts are more restrained in their long-range expectations, but all find cause for satisfaction in the fact that, as one said, "We are in the peanuts era of bank failures."

Now, he added, is the time to concentrate on further improvement in the management and supervision of banks.

Fundamentally, the management is somewhere at fault, most agree, whenever a bank official or employe can produce a shortage which endangers its solvency. "We cannot control the desire to steal," observes Lester A. Pratt of Washington, D. C., an authority on the detection and prevention of bank fraud. "We can, however, to a large extent control the opportunities to steal."

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PHOTOS BY ARTHUR DIETLE

New Haven's Shining Example

By GEORGE POINDEXTER



MOST large cities and towns have street kid problems but they needn't have. Here is how they can be solved

WHEN two boys began to argue over which would shine my shoes, it looked like the makings of a street-corner Donnybrook. It wasn't.

"We'll take it to Mr. Moulton," the Italian boy said. The Irish boy agreed.

Taking things to Mr. Moulton has gone far toward ending juvenile delinquency in New Haven, Conn.

A quiet, soft-spoken man in his middle 40's, John Moulton is director of the Junior Business Association, set up in 1906 to give street boys a chance. Today, from a modest one-room headquarters on the second floor of an Orange Street building, it directs the activities of some 350 members who net, collectively, more than \$100,000 a year shining shoes.

In that office Moulton listened to the boys whose customer I was. Then he turned to a card file.

"It's your corner on Sundays, Mickey," he said. "But it's Tony's on weekdays."

"I forgot," the Irish boy said, "I'm sorry."

"Once that would have meant a fight," Moulton told me. "Now it's always settled through the Association. We had only one fight all last year."

The Junior Business Association was founded by John Collins and financed by Charles G. Morris, a philanthropic New Haven lawyer. Collins started to work with boys right after his graduation from Yale Theological Seminary.

"Those 'street' boys were the real problem," he once said. "They weren't interested in the usual boys clubs. They wanted to make money, not play games."

Collins did not wait for the boys to come to him. Since most of them were part-time bootblacks, he began by meeting them on street corners where they worked. When he gained their confidence, he called at their homes. Gradually the Junior Business Association took shape. Before he died in 1928, he had laid a foundation for mutual trust which is one of the Association's greatest assets.

Following Collins' ideas, Moulton has expanded and solidified the organization. Today it is a self-governing organization whose rules have been adopted into the city ordinances.

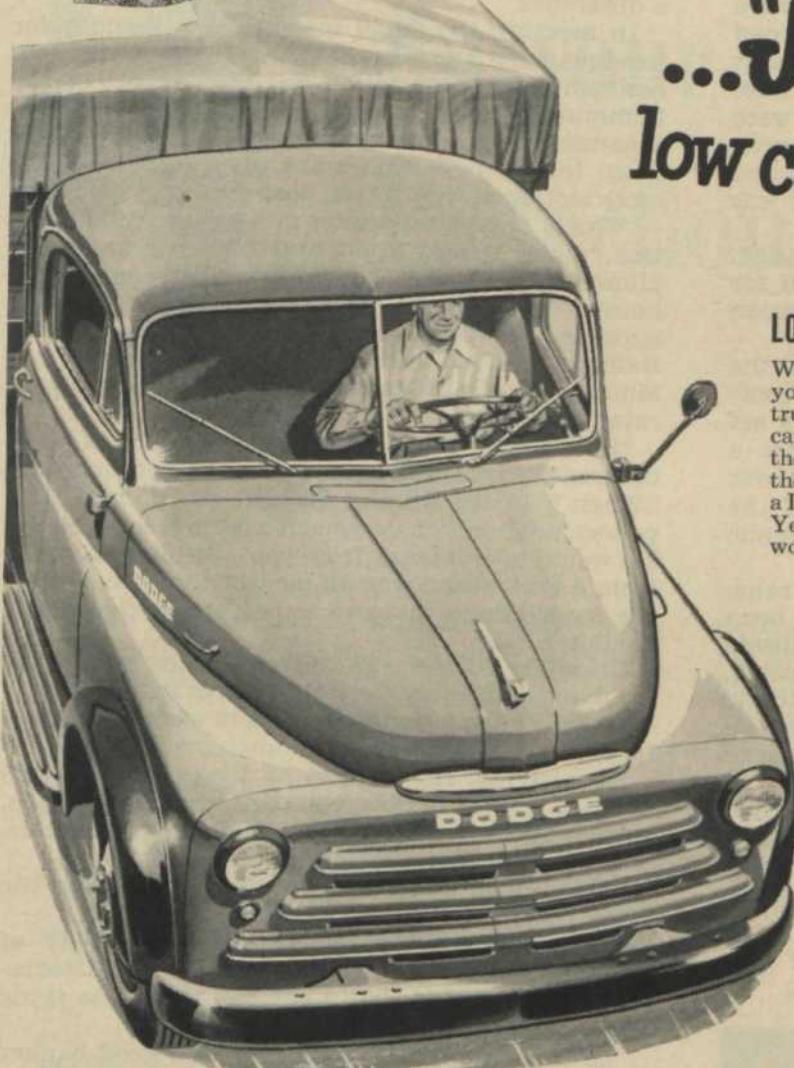
In addition, it is a training school that enables any boy more than 12 years old to learn a trade that will produce regular spending money. He is helped to obtain a license, shown how to build a kit and taught shining technique and business ethics. When he is assigned an exclusive corner, he has become an independent business man.

Meetings are held at schools attended by the

Members look to director John Moulton for aid in settling disputes and to alumnus Harry Drazen for scraps to build their shine boxes

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members. Each unit is known as a business club. When a session is called, the school principal notifies the members and assigns a room. Moulton attends and acts as chairman.

Each unit elects a member to the Association council which meets once a month. This unit passes on policy issues and recommends changes in the bylaws which are voted on by the membership.

Typical of most business club meetings was one held recently at the Columbus Public School where 35 members attend. The first matter to be brought up was a price-cutting complaint. The regular price for a shine is ten cents. The problem was turned over to a committee. There was also the complaint of a local bootblack who charged that the boys were interfering with his business. The members were reminded that no location has been assigned near this shop and the troublemakers were threatened with the loss of their license if the complaint was renewed.

Street language has been permanently settled. The boys decided that bad language was bad for business and made a rule against it. This decision has become part of the city ordinance.

Unlicensed shine boys are challenged by the members and reported at meetings as unfair competition and bad for business. The offenders get a chance to join the Association and acquire a license. If they refuse, their names are turned over to the police who are staunch supporters of the Association as a means of combating juvenile delinquency.

While I was in Moulton's office, the phone rang. It was a police captain. Three boys had been brought in for disturbing the peace at the Hillside School. Would Moulton help? On another occasion, the police were mystified by a series of bicycle thefts. They appealed to the Association and Moulton put the problem up to some of the members. Within a week, the boys had found the culprit.

Recently a baker complained that some boys had chalked obscene words on his windows. Moulton summoned two members who lived in the neighborhood. Three days later they reported that the

The Junior Business Association helps a boy get a license and teaches him to shine shoes



matter had been attended to and that the offenders had apologized to the baker.

"I would be remiss in my duties," says a letter to Moulton from the chief of police, "if I did not convey to you my thoughts on the contribution to crime prevention in the juvenile field exerted by the organization under your direction."

Such letters are not only good for morale; they have a tangible value.

"Raising funds was once a headache," Moulton says, "but show that letter to anybody and it makes a difference."

In meeting the small budget that provides for headquarters and the salaries of two full-time assistants, the Association has the support of the Community Chest as well as most of the service organizations and many interested citizens, among them former boys who make up a representative cross section of New Haven business life.

"Chick" Durso, proprietor of a car lot, filling station, motor repair shop and body works, is an alumnus as is his brother, James, who runs a coffee house. Harry Drazen, millionaire lumber dealer is another. So are John Gentile, lawyer, Gene Raffone, who has his own accounting firm, Frank Maisano and Gabe Mariano, proprietors of thriving retail businesses.

"Before we had the Association, things were different," says Drazen, one of the charter members. "When I started shining shoes, it was no fun. If a policeman didn't chase you off a corner, some bigger kid would take it away from you. Swiping bananas from a fruit stand was all part of the game. Half the Association's job used to be getting kids out of trouble."

Drazen is a director of the Association and scraps from his lumberyard keep the boys in shine boxes.

"I wish all my material went to such good use," he says.

Recently, at the request of the shine boy who appears at the lumber company every afternoon, Drazen addressed a letter to other lumber dealers, recommending the services of his young friend.

Many other New Haven business men take the same view.

Not long ago George Stevens, president of the New Haven Savings Bank, called the Association and requested that a boy be assigned to shine shoes in his building.

"Send us a boy who might make a good banker some day," he said. "We'll watch him and if he turns out the way I think he will, there'll be a place waiting for him when he gets out of school."

When the Association started, most boys were expected to bring home what they earned. Now they are working because they want something for themselves. One boy is buying a bicycle, another taking music lessons his family can't afford to buy for him. Another is a stamp collector. Several boys are saving to acquire automobiles.

One boy had to get back in harness to save his chickens. He was a former member who had saved his money and invested it in a flock of laying hens. For a while his egg business prospered, but then the hens stopped laying. The boy's family threatened chicken pie unless he earned the feed.

"You don't know when you're well off until trouble hits you," he said. "If only there were an egg-raising association that took as good care of you as the Junior Business Association."

Many another business man might well echo a similar wish.



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His Business Is Down the Drain

By FRED B. BARTON

THE STREETS of Rittman, Ohio, were running with grease. A train with 27 tank cars had jammed—a bar had snapped and dropped to the ground. That stopped the trucks but the engine kept pulling and lifted car after car off its wheels and stacked them against a house.

Into the cellar spilled the \$90,000 contents of three tank cars loaded with linseed oil, cottonseed oil and acetic acid. The goo flooded the basement and overran the town's sewers.

An hour later the district freight agent surveyed the wreck.

"Send for Frank Thomas," he ordered briskly. "This is his kind of a job."

About the same time a woman in Akron spoke nervously into her telephone.

"I've lost a valuable diamond down the washbowl," she sobbed. "Do you think you can find it?"

Frank B. Thomas, a fast-moving man of 54

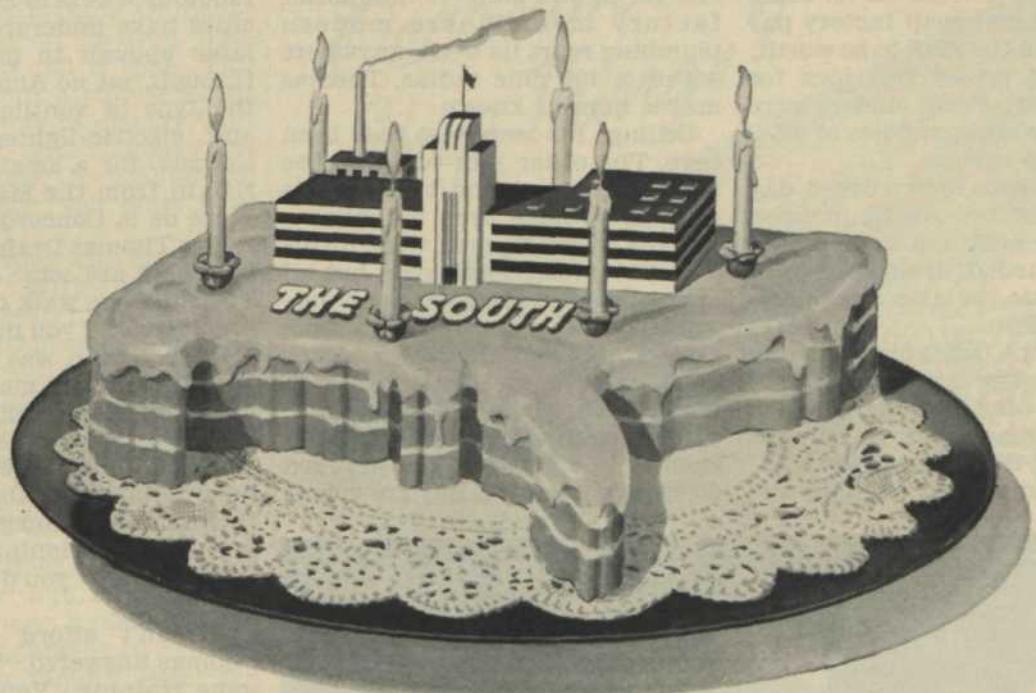


CHARLES MAYER STUDIOS



CHARLES MAYER STUDIOS

VERSATILITY is the keynote of the experts who work for Frank Thomas. They must be neat enough to clean a faulty bathroom drain and leave the place spotless, and tough enough to kill a rat bare-handed in a city sewer



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Ernest E. Morris
President



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with a ready smile and a soft voice accepted these two widely divergent jobs. From its Akron headquarters the Thomas Drain Service dispatched to Rittman crews and equipment trucks.

Thomas' original idea was to salvage what cottonseed oil he could and let a nearby soap factory pay what it found the stuff to be worth; the railroad vetoed this idea for greater speed. Fresh cinders were dumped into stray puddles of oil—there was no salvage.

Thomas Drain men worked day and night for two weeks, pumped out the basement and dumped the sludge, cleaned all drains and sewers, and made the area once more sweet and clean.

Rescuing the lady's diamond was far simpler. The man sent on that assignment disconnected a few joints and reached down with a flexible claw. Sure enough, the diamond had imbedded itself in the

been an amiable task for Frank Thomas. He is *persona grata* with county agents and the heads of small municipalities—where expense is an item he will rent out equipment, with one trained man, and let a town police its own sewers. He knows bankers, landlords, factory men. Where modern plumbing rears its head, anywhere within a 100 mile radius, Thomas makes himself known.

Selling his services has been easy. The other jobs—finding the right equipment and training his personnel—have been tougher.

Many of his 20 men were introduced by present employees but all of them are to some extent hand-trained. These men have unique and paradoxical qualities. They must be neat enough to enter a lady's bath, clean a faulty drain and leave a spotless floor, yet tough enough to kill a rat bare-handed down a city sewer. They are versa-

pensions is that those who work with sewer gas never have skin blemishes.

They live a story-book existence and yet would be vastly amused if you compared them to Victor Hugo's characters who *lived* in the fabulous sewers of Paris. Most U. S. cities have underground channels large enough to paddle a canoe through, yet no American city has the type of ventilated, cemented and electric-lighted sewer that tourists, for a small fee, can still ride in from the Madeleine to the Place de la Concorde.

Few Thomas Drain men get fired, but there are some absolute rules. You may not walk off a job under pressure. And you may not steal.

Once a man was hired, worked smoothly for six months, then got drunk over the week end. He didn't show up till Wednesday. No one bawled him out or even seemed to have noticed his absence. Finally the man's own conscience prodded him into mentioning the matter.

"I thought you'd be sore," he said briefly.

"I can't afford to fire you," Thomas answered. "I've given you some training. You're a valuable man to me now."

The man did some sober thinking.

For the first time in his life he realized how it felt to be dependable. He toned down his drinking



HITTLE STUDIO

Sometimes Thomas' men unearth jewelry, but more often it's just junk like this rubber mass

The firm's tools are weird looking and are disguised to keep them a secret

dirt inside the drain. When the lady saw the muck inside her household plumbing she readily agreed to a cleanout with periodic follow-up. (The backbone of Thomas' work is on contract, like that.)

Making himself indispensable in sewer matters to most of Ohio has

tile and resourceful and go after an obstruction like a detective solving a murder mystery. Their tools resemble man-from-Mars stuff, and they operate them with skill and guard them with secrecy.

Oddly, these modern Jean Valjeans enjoy amazingly clear complexions. One of life's strange com-

and now is a permanent member of the organization.

Thomas can afford to speak softly because in a pinch his men speak for him. Take the day a green workman flared up: "I never see YOU go down any of these holes!"

An older workman shot back, "How do you think this business



CHARLES MAYER

got started? He's been down more holes than you will ever get into." He brushed the lad aside and went down himself to finish the job.

The young fellow quit two days later. It seemed that when he got down at the bottom of a sewer someone would scuff a little dirt and gravel down on him. Or maybe slosh something on his head. Hazing? You could call it that. This business develops a morale all its own. Nobody has to display ballroom manners, and Thomas himself is no stickler for politeness; but on any team you must have mutual respect.

What goes wrong with drains?

Everything. With residences, roots of trees search out joints in underground drains and work their way in. There's a normal and steady piling-up of everyday waste matter. Factory drains clog or "make up" with all manner of chemicals and industrial waste.

Thomas does a business of about \$100,000 a year in Akron, perhaps three or four times as much again in other states and cities. Some factory jobs have topped \$20,000. His biggest assignment, in size, was cleaning out a factory sewer ten feet in diameter and 890 feet between openings. Some 300 tons of junk were removed. As usual, it was a day-and-night job.

At times, too, there have been pleasant surprises: a \$250 diamond ring, with no owner; silver coins; small jewelry. But usually the findings are slim.

Customers are all kinds, too. Take the time a dozen years ago, when Thomas contracted to open the clogged sewer-mains of a nationally famous tire company.

Work progressed nicely, but one day Thomas hunted up the works manager.

"I don't know what I'm working for," he said meaningfully.

The works manager, an all-right guy, called in the factory cost accountants with their time studies and their charts. How much had these pieces of equipment cost, and how many hours a month could they expect to be used, they queried. What was an average man's pay, and how much for overhead? Presently they derived a table of prices: so much per hour per man, so much per hour for minimum equipment, so much for trucks, scrapers and whatnot. Those prices became the backbone of Thomas' business.

Not always of course is a customer so ingratiating. Take the distant factory that talked Thomas into taking a job at a fixed



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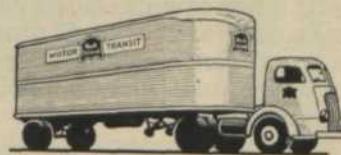
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THE ROAD OF PLANNED PROGRESS

price. It is an axiom of this man's business never to quit, once he starts. He aims to finish, profit or no.

This job should have taken two weeks; it took nearly two months. What happened then was no fairy tale. The purchasing agent and plant superintendent were delighted. "Everyone around here knows you've put time and money into this job of ours," they agreed. "We'll see if we can't get you the money."

The company president, however, was an old-fashioned, eye-for-an-eye, tooth-for-a-tooth executive.

"Mr. Thomas named a price," he glowered. "He claims to know his business. Whether he makes money is no concern of ours."

At times, too, his men are victims of their own brilliance: they tend to create their own competition. When they have put a sluggish factory back into working order their reward may be, "Thanks for showing us how. From here on we will have our maintenance men take this in their stride."

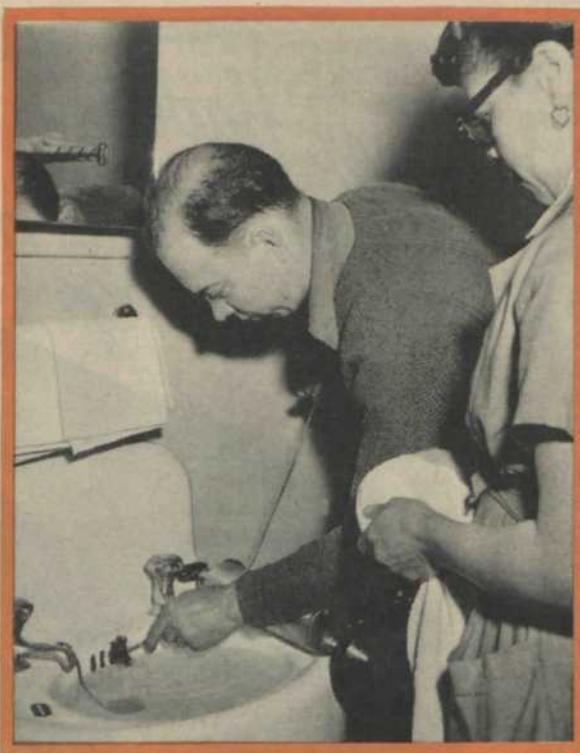
Hence his men operate behind a veil of secrecy.

It is routine for them to repaint, alter and disguise every piece of new equipment they buy. Bringing together all this apparatus has cost years of effort, thousands of dollars in cash.

One day they did a sizable out-of-town job under the eyes of a local competitor who watched every move. Frank's men put on a good act. They ostentatiously carried back and forth a lot of unexciting equipment. But the stuff that did the real cleaning they kept concealed under canvas.

For a man who started with a \$15 investment and today can bid on a \$200,000 job and put up any necessary liability bond, Thomas had a complex and baffling development. He could have been a teacher more easily than mechanic and craftsman.

His life story is confusing because much of the time he was holding down two jobs: salesman and track coach. Life began for him when his father, a successful grain merchant, died. Frank was six then. The youngster ran errands and later, in 1915 when he was graduated from the Johns-



CHARLES MAYER

A house or hotel isn't really cleaned until its washbowl drains are

town (Pa.) high school, had shown enough prowess as a runner to receive a scholarship at Indiana State Teachers College.

For three years he worked for Westinghouse Airbrake. During this time he moved on to Penn State College for his first academic year.

The first world war put him in a British-trained bayonet school, and two months later he was an instructor. He never got overseas but came out of the service a lieutenant.

Then he came back for a year at Penn State where he was captain of the track team competing in the broad jump and 440. A year spent coaching athletics at Bethlehem (Pa.) School followed.

He went into selling with United States Rubber, switched to National Ammonia Company, then into ice and coal in Wheeling. Finally he went into coal in Indianapolis.

A blistering experience growing out of investing in someone else's business cleaned him in 1926, left him \$40,000 in debt, which he later paid to the penny. He came to Akron that year as a coal salesman.

His salesmanship was unique. Harland E. Paige, executive vice president of the First National Bank of Akron, was trust officer for another bank at the time. Every morning for 47 business days

Thomas stopped at Paige's desk at 9:01.

"Good morning, Mr. Paige, any coal today?" He accepted a refusal smilingly, but always came back.

On the forty-eighth morning the dam broke. Paige started buying. "Fill the bin at this apartment house we manage for a depositor," he ordered.

In 1929, which was not a good year to be selling coal, or anything else, Eddie Walker, manager of a downtown Akron office building, hailed him.

"Here's a gadget you might be able to sell," he said, displaying a small advertisement. The item was an Air-Shot Drain Cleaner. He still uses and sells the device.

With \$15 and a heart full of courage Thomas started his drain service. He sold some of his items, but was saddened to discover that no family ever bought more

than one: the things lasted too long. Luckily he had out of his great need invested in a small ad in the phone book. That brought him a call.

"Thomas Drain Service?" a woman's voice queried. "My sink is clogged."

Thomas, who had never cleaned a sink, walked to the woman's home, unblocked the drains, collected \$3. That day the business was started.

Presently he hit a job too big and technical for Air-Shot to handle, and when he had hunted up equipment able to take that fresh hurdle, another and tougher job loomed.

Those were days when cleaning sewers was the lot of the "honey-dippers"—and when anything a plumber couldn't reach with a heavy wooden pusher had to be dug up by men.

The thought that you could unreel a flexible shaft with a sharp rotary cutter and drill roots and other obstructions out of drains, as far as 1,000 feet distant, was still far away. Presently Thomas got hold of a small electric machine that would do that job, and in time added other and larger machines.

For jobs under explosion conditions he hunted a water turbine, able to spin a cutting head inside any pipe. The inventor of this device never had sold one for this

sort of work and came to Akron to see his brain child at work.

Much of Thomas' equipment now is reasonably simple, but plenty of it carries developments created by his own men. Two workers spend most of their time experimenting with new devices.

Bulk of the selling job devolves on Thomas himself. He uses car cards, small newspaper ads and, of course, the phone book. When industrial business slacked off recently he circularized small municipalities, and rented enough trucks with a workman apiece to pull him out of a slack month.

"Any town with a sewer system ought to set up a preventive sewer program," he says. "It saves bother and expense later on."

Being human, he sometimes has a few regrets. There is a college in Maine, for instance, where he might be living the comfortable life of a track coach. But his most serious regret is that he didn't take in a partner, years ago. So many times he wishes he were twins!

In business matters he makes few mistakes. For 20 years back he has turned the checkbook over to his wife. ("I don't like money," he explains simply.) He buys for cash, and if a deal with Mr. A is not yet out of the woods, that tempting proposition from Mr. B has to wait. He owns the homes of many of his key workmen.

"If times get tough, they know they'll have a place to sleep," he explains.

A man with a restless imagination, he is studying how to clean old water pipes without removing them from a building. Anybody can clean large pipes, he snorts. It will take a master to clean a $\frac{3}{4}$ inch water pipe.

So far he has turned a deaf ear to the suggestion that he open a school for out-of-town drain experts.

He is continually amazed that a nation which spends fortunes on toothpaste should be so completely casual about its drains.

"A family buys a house," he tells you earnestly. "They clean the corners, clean the closets, clean the basement and attic. But they never think to clean the washbowl overflow. Yet that invisible and hard-to-reach pipe fills up with bacterial growth until you get flies and a stench. I've seen it so bad that a hotel would have to close off some rooms."

"There's a stench there somewhere but we can't find it," they tell Thomas.

He shows 'em.

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Transition

(Continued from page 44)

guiltily, and moved his finger to a pretty girl in bloomers in front of him. "Remember her, Professor?"

Her narrow, alert face made him look closer. "Why, er, it's Miss Elise Jones, yes, yes indeed. I, er, recall now, Jensen, that she sat by you near the window."

Jensen was pleased. "Sat by me! After she graduated I followed her home to New York and talked her into marrying me. Anyway, when our boy got out of service he didn't seem to want to do anything but rest awhile. Well, anyway, he decided to start in last fall under this GI setup. And you know how women are. Because we had met in your geology class, Elise thought it would be nice if our boy took geology under you for his freshman science course; and she talked him into it. He signed up for it, but home Christmas, he said you weren't there any more. Professor Reeves had taken over."

"I would have been honored to have taught your son, Jensen."

Jensen looked troubled as he put his pictures back into his billfold. "I've never made much out of myself," he said thoughtfully, "flunked out and all that, but I've got a lot to look forward to in my boy. Thought as long as I was out to see him, I'd drop in for a little chat with the Dean.

What I'd like to know, Professor, is how do you talk to a Dean. I've got no standing at Warwick; didn't graduate, so I've never gone back for class reunions; and I've never donated to the endowment fund. I don't know what to say. I can make a cold call on a new customer and get by on my merchandise. This way, I don't know what I've got to sell. You know how it is. I've got to make a fine impression for my boy's sake." Jensen cleared his throat. "I got a letter last Monday from the Dean. . . ."

A letter from the Dean with final exams only six weeks away could mean only one thing. Professor Revels said gently, "Is there any trouble, Jensen?"

Jensen rubbed his palms. "Can't understand it. The boy's made good marks in his math and history and English. He was down in French for awhile, but he boned up. What the Dean wrote was that he was flunking his geology; and he needed a high mark on his final to pass, and if he didn't pass he couldn't go back next year. This GI setup he's on says if you fail one subject, out you go, and Lord knows I'm having a bad run and can't send him; well, anyway, his mother phoned him Monday night. He says he reads the textbook but he can't make any sense out of geology. He wants to drop out."

Jensen let his breath out slowly. "His mother's worried sick. She feels it's her fault for asking him to take geology; and I don't know

what to say to him about it. When he was a kid and having a hard time with something, I'd tell him how I flew a "flying coffin" in the Meuse-Argonne campaign, and made myself keep going no matter what happened.

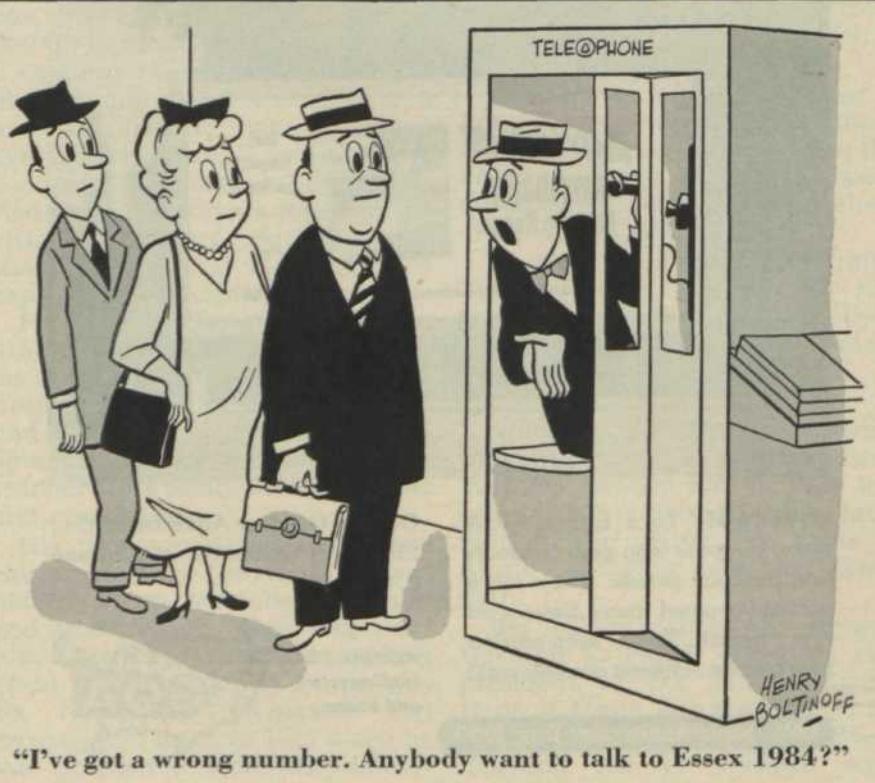
"That used to work because he had confidence in me. Why, only last summer he told me of one mission he flew over Aachen and caught a little flak, and it was remembering about me and the Argonne that pulled him through. As things stand now I flunked out and he knows it, so if you'll give me a couple of leads with the Dean, I'll talk with him first, and get my confidence up, and then give the boy the old fight talk."

"Everyone needs encouragement, Jensen; your boy, though, will, er, need to know some geology for his geology exam," Professor Revels said. And he was thinking how regrettable it was that Professor Reeves had not found a way to interest a young mind vibrant enough to grasp the complexity of a bombing plane. There was always some channel of interest to be ferreted out with patience and understanding and perhaps a little sacrifice.

Professor Reeves was a ratio man: a certain percentage of failures was to be expected, and nothing was to be done about them. Professor Reeves was merely the keeper of the record of what was learned and what was not learned—not a teacher! Nothing Jensen could say to Dean Strother would matter. Dean Strother had appointed Professor Reeves; Dean Strother was a ratio man, too. He had written Jensen a polite warning of what was to be expected.

While Jensen waited for his answer, Professor Revels kept thinking about Jensen's love for his boy; and the boy's love for Jensen; and of Jensen's plight: a failure asking success of another. And he thought about Jensen's failure which had somehow been his own failure as a teacher; and he felt tired and upset and he wanted Jensen to go because there was nothing he could say or do to help Jensen.

The boy from the garage drove up with Jensen's car. Jensen got up nervously, smiled uncertainly. "Well, Professor, looks like I'm all set to go. . . ." While Jensen paid the boy, Professor Revels waited at the top of the steps. He didn't feel like walking down; he needed all his strength for the morning. When Jensen turned back, he said futilely, "Tell your fine boy to dig



in; tell him, er, that you and his mother have faith in him... er..."

Jensen looked betrayed. His face became a defensive mask. He had talked too openly to a heedless ear. He forced a thin smile, said defensively, "Thanks, Professor. We'll make out all right. He's not so bad off. Guess he's a little like his old man."

Then suddenly, Professor Revels realized how like Jensen the boy was. And for the first time he understood Jensen, the indifferent student, the young flier of the first war, the man who talked flying through the years with his boy. This was an age of transition: of the plane, the rocket, the space ship; of man's escape from this earth. A young Jensen had been a part of that beginning; his boy was a greater part of the growing transition. Their minds long ago had left the earth for the skies.

At last he knew how he could help Jensen and help the boy—a matter of a little sacrifice, if he could hold out long enough. There was a channel now to Jensen's mind: Jensen's love for his son; and there was a channel of interest, too, to the boy's mind which disdained a knowledge of the earth for the skies. "Wait, Jensen," he called, "I want to teach you some geology."

"Me?" Jensen's surprise slowly deadened. "It was always beyond me, Professor."

"Not beyond you to learn, Jensen. It was beyond me then to teach you. I can teach you now, and you can help your boy."

Jensen came questioningly back up the porch steps. "I'll do anything, Professor."

Upstairs, Professor Revels got out paper for Jensen to take notes. He hunched forward slightly in his chair and started to talk. "Jensen, when you sell merchandise, you, er, sell it to a customer on his level, don't you?"

"Right."

"You can sell your boy geology with the right approach. Tell him as one old flier to another that he has an interesting mission to complete, and you are going to brief him. Do you follow me, Jensen?"

"I'm right with you."

And then Professor Revels told Jensen about geology, a study of the earth; geology that could be seen fleeting beneath a wing tip; the geology of rivers as silver threads on a flight map; and of the vast, rocking ocean which concealed mountains and deserts that would again be landmarks in sunlight, in time, in transition. And

he told Jensen about this ceaseless transition of earth, and of the record of this transition in layers of rock.

Jensen took careful notes. "I get that myself, Professor. This will be right down his alley."

Toward suppertime he had finished. He went painstakingly over Jensen's notes. They were accurate and to the point—more than enough geology to embrace Professor Reeves' ten stock questions, even the one trick question which was designed to confuse rather than clarify.

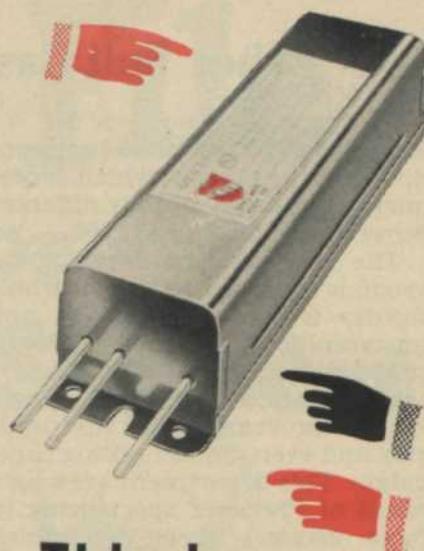
Jensen said, "I can't thank you. His mother will write. I'll phone her tonight. The boy can't miss." They said good-by.

He didn't go downstairs with Jensen. He lay down on his bed, exhausted. He knew that he wouldn't be able to make it to the quarry tomorrow morning, or even the morning after. Perhaps his story of the valley would never be finished. He had only a fragmentary story of this land that had once lain under a nameless sea.

The sea had been sucked back, and up from those seething, receding waters had been thrust mountains of sedimentary stone. In time, a river had channeled eastward through that stone, rolling its silver length through darkness beneath ancient stars that had long ago whirled to dust. Then, later, the river had vanished, leaving this valley. But here, he knew, his partial story ended with a new beginning. For in the quarry this morning he had found evidence of a still earlier sea, a mightier river flowing north, a more ancient valley beneath this valley, aeons and aeons and aeons before....

Professor Revels thought about this gigantic, ceaseless transition of the earth; and of the transition of men from this earth to other worlds, perhaps before they had learned of their own world. He thought about Jensen's face as he talked about his boy; and about Jensen's wife waiting in anxiety on Manhattan Island—an island of rock which the relentless Hudson, and the nagging, impatient East River had not yet inched into the sea—but would—in time.

Then he thought about the fragment of time, tomorrow morning, which he had hoped to reserve for himself. He thought about his own transition from Warwick. And he thought for a long time about his perfect teaching record: for he had at last taught Jensen. And for the first time since he left Warwick, his heart eased....



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That's why CERTIFIED BALLASTS are so important. CERTIFIED BALLASTS are built to exacting specifications that assure fluorescent lamps operate at top efficiency. Then, as an added protection, they are tested, checked and certified as to meeting these rigid specifications by Electrical Testing Laboratories, Inc., an impartial authority.

You'll be money ahead if you insist that your fluorescent fixtures are equipped with CERTIFIED BALLASTS!



They Sell Castles By Catalog

(Continued from page 50)

ning and development department divided the property, which subsequently was sold to four different buyers for a total of \$52,000.

The planning and development group is equipped to lay out whole towns; it makes boundary and topographical surveys, designs subdivisions, prepares protective covenants and restrictions, supervises improvements on the property and even plans a selling campaign. This department grew as a result of Previews' specializing in huge estates, properties which brokers often referred to as white elephants.

The nation is sprinkled liberally with some fantastically sumptuous dream castles built in lush periods. Although many of them are empty and even run-down, they represent, dollar for dollar, perhaps the best as-is buys in real estate today, because the price of reproducing them would run into many thousands of dollars more than the asking price.

This is not only true of houses in the \$200,000 class: one dwelling in Mamaroneck, N. Y., for example, 11 rooms and four baths, would cost about \$105,000 if it were built today. It was sold through Previews last year for \$49,000. A ten-room Italian cut-stone dwelling in Bronxville, N. Y., which recently went for \$60,000, would have cost its present owner more than \$130,000 to build.

Stories behind some estates offered by Previews are almost unbelievable. One \$600,000 house, built 22 years ago, never has been lived in—the original owner's wife refused to move in. The asking price is now \$400,000, and a lower offer might take it. Another property has more rooms than even Previews men know about. The owner had a large family; whenever his wife gave birth, he built another wing. Previews surveyors stopped counting at 90 rooms and 22 baths, figuring that whoever was willing to pay the \$175,000 asking price probably wouldn't demand more rooms than that.

Then there was the English manor house of Samuel P. Rotan, in Chestnut Hill, Pa., which was offered for \$285,000—a far cry from the price that Rotan originally had paid to have it torn down, brick by brick, transported to this country, and reconstructed on his own

grounds. That maneuver cost him nearly \$1,500,000.

In the course of selling—pardon, *listing*—properties, Previews men have turned up some rather eccentrically designed residences. One was a 14 room Tudor house with a swimming pool just off the living room (\$185,000). The only difficulty was that to get from the living room to the sleeping wing, one had to negotiate a two-foot ledge around the pool.

Another house in Connecticut (around \$100,000) had been owned by an ailing old gentleman who loved to follow the hounds. Warned by his doctor to stop, he equipped a tower room with a specially built electric horse. Then he

Every noble work is at first impossible.

—Joe. D. Baker, Jr.

had a movie made of one of his favorite hunts—a horse's view movie, showing the landscape rushing toward the mounted horsemen. Each morning the old sportsman would go to his tower room, hop into the saddle, start his projector, and chase the cinematic hounds to his heart's content.

It's often an insoluble problem for new owners to keep up the dream mansions once they've acquired them. As though taxes weren't enough, there is always the problem of servants and groundskeepers.

But maintenance costs are not always the sole obstacle to ownership. A 100 room French chateau at Syosset, N. Y., formerly Otto Kahn's home, finally was sold to the sanitation department of New York City for \$100,000. They rechristened it Sanita Lodge and turned it into a nonprofit resort for employees. The township sued on grounds of tax loss, won the case, and forced the street cleaners to vacate. Eventually the estate was broken up into small plots.

Many huge estates have been sold intact, however—and now serve as schools, research labs for industrial concerns, or retreats for religious orders.

In recent years Previews' scope has broadened. The war opened up the European market, for one thing, which permitted the firm to stock brokers' shelves with such

items as comedian Jimmy Savo's "Rock of Poggio," a castle-town in Italy about 50 miles from Rome (only \$50,000), or a French villa with a 251 foot swimming pool, originally built at a cost of \$1,000,000 (this one goes for \$75,000).

Currently there are two Louis XIII chateaus on the list; one is complete with a moat, towers, Byzantine chapel and movie theater, and the other has a 130 acre walled park and seventeenth century outdoor stage. Previews as yet has no European office, but Tysen spends two or three months of each year ferreting out foreign listings.

In this country, too, odd and unusual properties are turning up. When a reporter dropped into the New York office not long ago, he found that he could buy a race track at North Bennington, Vt., complete with night club and restaurant, for \$95,000; a mine in Buena Vista, Colo., for \$100,000; a music and art school at Kennebunkport, Me., for \$25,000; or a profitably operating stock and fox farm, at Frazee, Minn., for \$70,000.

Dealings with the rich, the famous and the glamorous have often given Previews men intimate glimpses into their private lives. One Previews man became so interested in his client's real estate problems that he wound up marrying her; later, this same man's mother met another of his clients and subsequently married him, thereby removing another property from circulation.

Not all Previews clients carry their affection to the point of marriage, of course, but many seem unwilling to terminate the relationship once a sale has been completed. They continue to write staff men long, newsy letters about their properties. Not long ago Tysen, sitting in his quiet, green-walled office, was telling an acquaintance about the rewarding human aspects of his profession.

"It's always been a very gay business," he said. "We've had a wonderfully enthusiastic, youthful and dynamic group working here—and some of their spirit gets across to clients. Previews has been a success not only because it's made money but because it's been successful in its relationship with people. When I was elected president I had letters from brokers and clients I'd never even heard of—people who just had a friendly feeling for the firm." Tysen paused. "Jeepers," he said, the youthful smile breaking over his dignified face, "it really quite touches you!"

Seed Beds of Socialism

(Continued from page 47)

time-Charley financing which collects only one per cent for money which the Government has borrowed at higher rates prevailing for government bonds, great grandchildren still will be paying 100 years later. The farmer is in Interior's deep freeze for a century.

Then it can add new projects to the old one and his descendants will still pay.

Like a despot who raised a better despot and was tossed into a dungeon, Interior has let loose a genie that threatens to strip it of power. Each session of Congress sees bills for more authorities like Tennessee Valley (none passed so far), including an omnibus bill in the present session which would divide the country into nine authorities—Atlantic Seaboard, Great Lakes-Ohio Valley, Tennessee Valley, Missouri Valley, Arkansas Valley, Southwestern, Columbia Valley, California, and Colorado Valley.

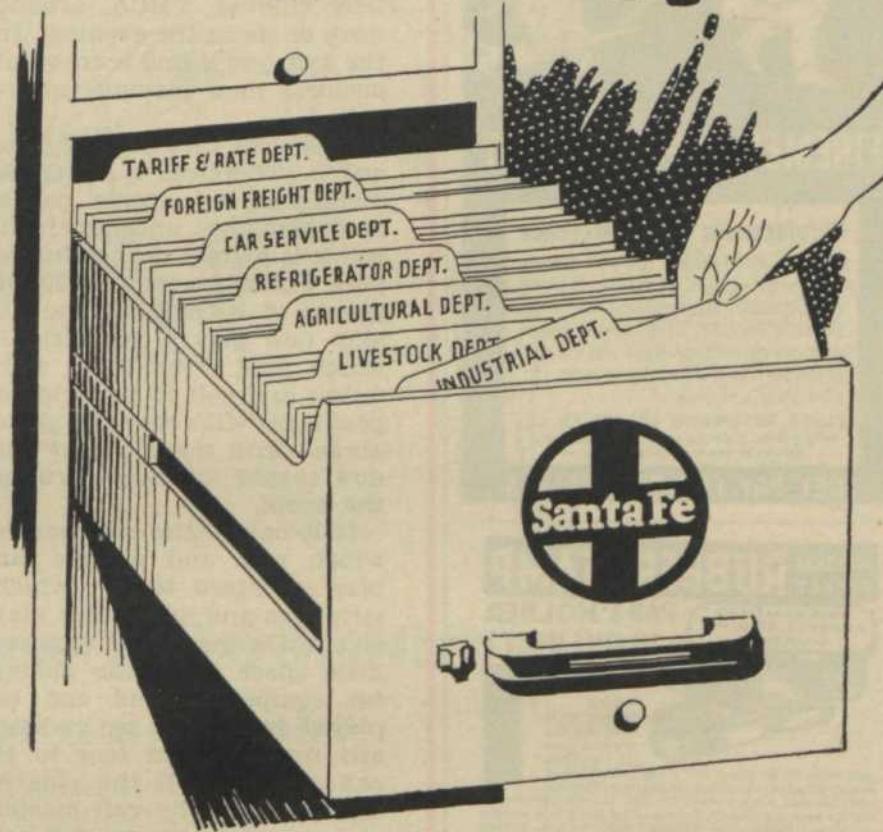
EACH proposed authority, in addition to harnessing the waters for the usual purposes, including national defense and international obligations, has a blanket obligation "to protect and promote the national interest" or to work "for other purposes."

Under such blanket authorization, the water-based empire could do anything from mobilizing soda fountains to formulating new religions.

An administrator appointed by the President would have absolute authority to build or destroy, collect and spend, hire and fire. Once established, he would be answerable to neither Congress nor the people, something unheard of in this republic.

The Interior Department is far along toward a socialist state but has not completed the thorough job envisioned by the promoters of a nation ruled by authorities. In the meantime, the Interior Department pushes its own socialistic programs—"Not destroying the free enterprise system in one blow, but trying to tear down the structure, brick by brick," as a California congressman says. The Department chafes but Congress still holds a check on its funds and actions, which would not be the case with authorities.

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HOW'S YOUR HELP?

What two things
should YOU do NOW
to be sure of your
labor supply?

SEE PAGE 32



All Volley, No Thunder

DROP INTO almost any athletic club or YMCA, around noon or six in the evening. In the gym you'll find a crowd of business men playing volleyball.

Volleyball isn't much fun to watch. Therefore it seldom is mentioned on sports pages, and remains uncommercial. But it is a great deal of fun to play. Therefore about 5,000,000 people of both sexes and all ages now play it regularly—which puts it up there with tennis and golf in participant popularity. GI's took the game abroad with them, and it has now spread to many parts of the world.

It is one of the rare games which men and women can play in mixed teams; which striplings and adults can play on equal terms; which requires little space and little money for equipment, and can be played indoors or out; which any number from four to 14 can play; which the elderly and the paunchy can master well enough to become red-hot devotees.

Youth has no edge over age in this vigorous but nonbruising game. The Los Angeles, Calif., team which won last year's national championship, ranged in age from 31 to 38. The captain, Orin Sage, has been an All-American since 1929 (yes, they have All-Americans in volleyball, too). Another perennial All-American, Webb Caldwell, generally considered among the most skilled players in the game today, is 39 years old.

Should you get the urge to become a volleyball player, you won't have much trouble learning how. The nearest YMCA will accommodate you,

as will most athletic clubs. The game was invented at a "Y" in 1895, and now is one of the organization's big year-round sports. Its following is growing year by year.

It isn't difficult to learn. After a few sessions with novices, you'll probably move into the regular twice-weekly business men's games—and after five or ten years of seasoning you may be a prospect for the competitive team which plays against athletic clubs and other YMCA branches in your vicinity.

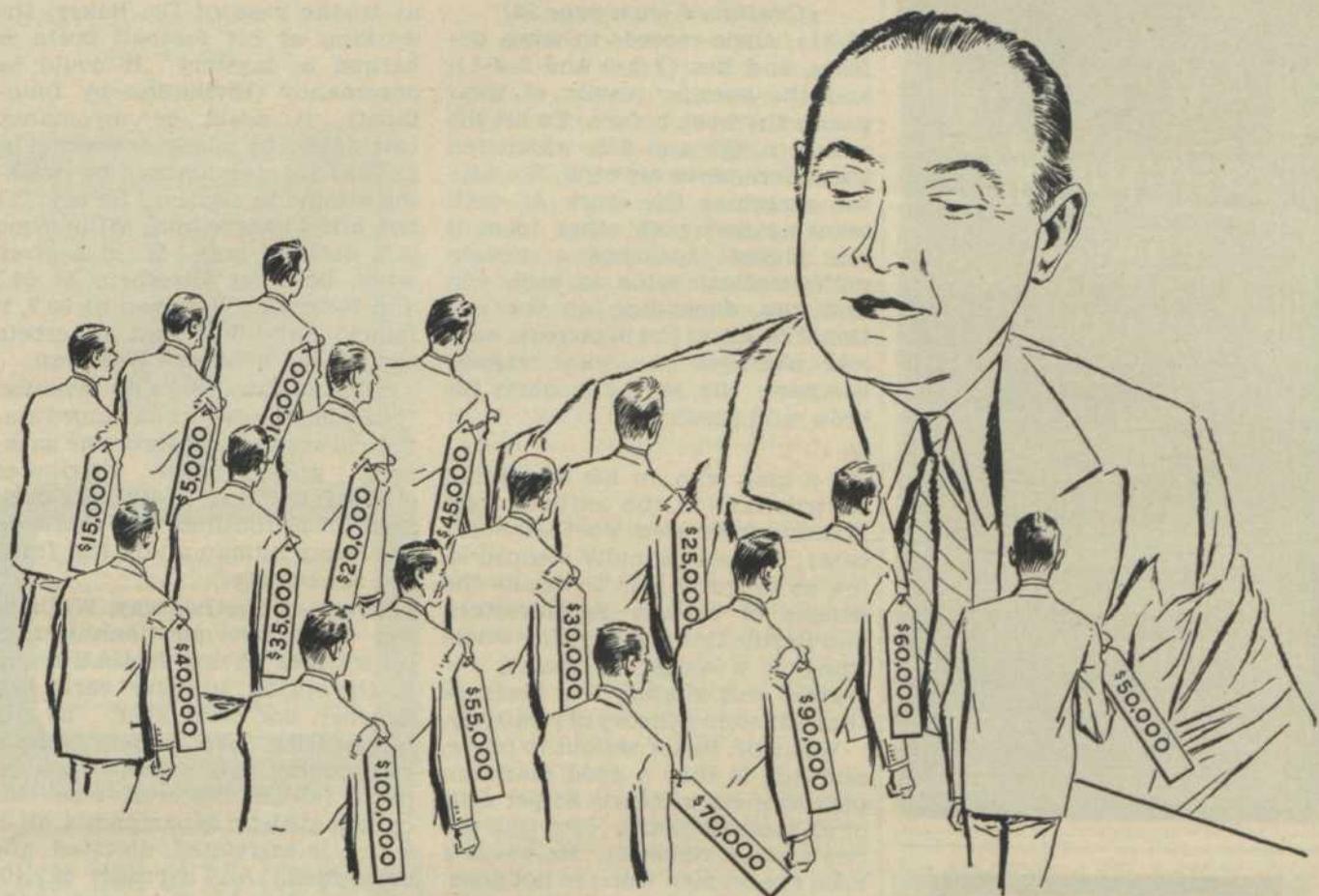
Besides being healthy and exciting, the game seems to have some extra orthopedic values. Many an S-shaped business man has discovered that his posture is better after a few months of playing volleyball. According to Prof. William J. Cromie, a physical education authority at the University of Pennsylvania, "volleyball has a decided corrective value because it constantly tends to straighten the spine. The shoulders are brought up and back, and head held high, thus preventing or correcting round shoulders."

Even in topflight competition, volleyball is usually a friendly game. It is probably the only competitive sport in which the honor system still prevails.

By tradition, each player calls his own fouls. If he steps over a line, touches the net or otherwise commits a foul, he is honor bound to signal the referee.

Webb Caldwell almost cost his team a far western championship a few years ago by calling a foul on himself which no one else saw!

—KEITH MONROE



How does a \$100,000 a year man look for a new job?

An executive earning \$100,000 a year doesn't read the help-wanted classified, or stand in line at employment offices. Often he doesn't even tell friends or contacts, for fear of jeopardizing his present position. But he does tell Walter Lowen!

Walter Lowen became interested in personnel psychology at Columbia, and in the Army during World War I. Afterwards he hung out his shingle as the "Vocational Bureau", with his wife as his partner.

The Lowens found they had unusual facility in getting jobs for five-figured people, made their first \$10,000 placement in 1927...today think nothing of getting

better pay for a \$45,000 sales manager, or upping an executive vice president from \$100,000 to \$125,000.

THE Lowen method is merchandising...knowing their market, and letting select customers know when unusual men are for hire. It's a business of contacts, news, and 60,000 career records...of analysis and judgment of men and their abilities.

Sometimes Lowen doesn't advise taking jobs at higher salaries...often suggests that the man should more fully develop his present opportunities!

Every man in business will want to read

"Merchandiser of Men"

by Edith M. Stern

in **NATION'S BUSINESS** next month



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Touchdown by Slide Rule

(Continued from page 54)

99-31), their records in wins, defeats, and ties (3-0-0 and 2-0-1), and the specific results of their games the week before. To hit the numbers, 893 and 830, which tell the difference in his book, the doctor examines the work of each team against each other team it has played; attaches a certain mathematical value to each win and loss, depending on the national rating of the opponent; adds and averages the total values; compares the averages, mops his brow, and predicts.

To a man who, in his own small contribution to the autumn folly (Lardner's Fearless Football Forecast), has occasionally stooped so low as to toss a coin to decide the winner of certain Southwestern and Pacific Coast games, the whole thing is a model of cosmic research, only slightly less abstruse than Einstein's theory of relativity.

What Dr. Baker set out to prove, and did, is that a good man can pick winners in nearly 85 per cent of all football games (counting the ties against himself). He keeps a keen eye on men who are not good.

"A national magazine," he recalls, "had a fellow pick the whole season in advance, one year not long ago. That shows the general trend toward nonsense. When the season was over, the magazine announced that their man had been 85 per cent right. I wrote them to show that he had been 15 per cent right. A slight clerical error, you might call it."

With Dr. Baker, football wizardry has always been a hobby, in spite of the small cash returns it has brought him. The same is true of Williamson. Even today, though his health remains poor, he spends much of his time on broader projects than football. This summer, soon after knocking off a 192 page book on football ratings which he hopes will nail his system high on the flagpoles of the nation's college athletic departments, the New Orleans sage completed a \$25,000 geophysical survey, based on gamma ray counts, which, he believes, may do away with the digging of dry holes by oil men.

Williamson's football ratings ("The System," as he constantly and lovingly calls them) are not based on gamma ray counts. I am taking his word for that. For me,

as in the case of Dr. Baker, the working of his football brain is bathed in mystery. It could be pegomancy (divination by fountains), it could be myomancy (divination by mice), or it could be gyromancy (divination by walking around in circles). He says it's not, and I believe him. Williamson is a decimal man. If, in a given week, he rates Otterbein at 64.3 and Nebraska Wesleyan at 60.2, it follows infallibly that Otterbein would beat Nebraska Wesleyan.

"The System," says its inventor, "is a combination of advanced statistical studies and formulae gathered, milled, and distributed through the most up-to-date business office routines and methods. Therefore human analytical frailties are remote."

To put it another way, Williamson sends out questionnaires to all colleges having football teams in the spring, summer, early fall, October, and November. To this information are added campus newspapers and a full supply of press release material from the college athletic departments, all of which is correlated, digested, and cross-filed. An average of 400 games a week are diagnosed on the basis of team ratings.

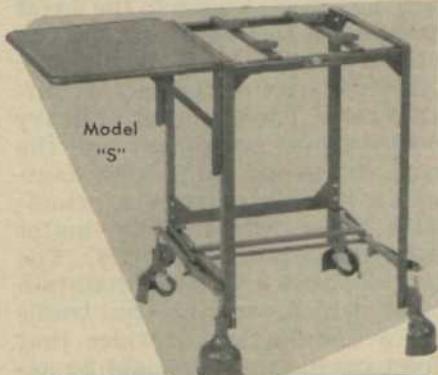
IN THESE ratings, a sort of rule of thumb is that a three-point difference by the system means a seven-point difference (a touchdown and a conversion) on the field. If Tulane rates 93.7 to Mississippi's 87.9, the game figures to be Tulane's by 13 or 14 points. However, as Williamson points out, there is a "complicated logarithmic gradation" between the topmost and bottommost teams, so that the fact that Army rates 97.3 to Rose Poly's 39.5 does not mean that Army would beat Rose Poly by 20 touchdowns or so. What you must remember to do, says the prophet, is compare teams only within their respective classes.

For some years now, the Associated Press's weekly poll of sports editors has irritated logical people by coming up with a ranking which too often puts one team ahead of another which previously has beaten it. The thing Williamson is proudest of is a postseason rating table so consistent that, in 1949, a higher-rated team lost to a lower in only 141 out of 3,615 cases.

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ably the largest and most ambitious of its kind. Forecasting is merely a branch of it. The ratings and predictions are distributed to newspapers during the season by the United Features Syndicate—the general ratings of all the colleges on Tuesdays, the specific pairings and predictions on Thursdays and Fridays. Since Williamson keeps one or more fingers on the pulse of every United States, Mexican, and Canadian college, junior college, and service school, he probably owns the biggest unofficial catalog of college names in the world. If you did not know there was a St. Norbert College (West de Pere, Wis., colors green and gold), see Williamson. If you were not aware of McKendree College (Lebanon, Ill., purple and white), do the same.

WILLIAMSON began to bend his brain toward football as a boy, doping games for the satisfaction of himself and friends. I would be lying to you if I said that he is regarded as the wizard-in-chief by Dr. Baker, or by Dunkel of Florida, or by Houlgate of California, or by Dr. Litkenhous of Tennessee.

Each system claims supremacy, and has little but scorn for the mental convolutions of its rivals. The difficulty in rating one against the other lies in the fact that none of them works on exactly the same basis. Williamson's season record for picking winners may be anywhere from 80 to 90 per cent, but his "consistency" record may be as high as 97. That is another way of saying (and again I take his word for it) that "actually only about three or four games out of every 100 during the playing season turn out to be upsets of the complete season."

Before we leave the Louisiana swami and his rivals, to revel each in his own form of wizardly double talk, I should say that Williamson is not entirely without experience of the so-called Minneapolis, or bookmakers', line.

"I'm not a betting man," he said recently, "but I keep an eye on the professionals. Now and then I'll compare my picks with the bookmaker's picks, and then I'll go downtown and take the games where we differ and make a small bet on each of them, right down the line. Would you believe me, I win 85 per cent of those bets!"

I'll believe him. Men of science must always prevail over men of wrath and greed, though what they do with their money, I don't know.

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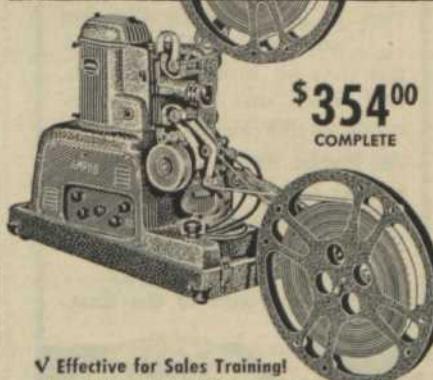
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Main Street and City Hall

(Continued from page 41) service, Norfolk had a number of private haulers who removed garbage from homes and business places. The system was never satisfactory, however, and in the spring of 1949 a new plan was put into operation. Under it the city compensated the private haulers for their businesses, and offered jobs to those who wanted them. Tank-type equipment replaced open trucks.

The council also delved into its purchasing practices. A purchasing committee composed of Reeves, H. K. Demmon, retired railroad shop foreman, and John Bland, a grocer, is studying systems to improve methods. Bland succeeded Krampien.

Thought also is being given to adapting the purchasing methods employed by the local public schools. Norfolk schools operate under a board, independent of other municipal establishments, that townspeople point to as a model for efficiency. Everything is bought through competitive bidding.

In checking into purchasing, the council also found that its gasoline costs were out of line. One of the faults lay in an antiquated book-keeping system, which, while accurately reflecting the city's overall cash position, failed to give a detailed account of the many separate funds which had to be maintained. A new system has been established which gives the mayor and council a day-to-day financial picture of each department and fund.

Meanwhile, things were going ahead on other fronts. The normal growth of the city (Norfolk had no war industries and hence no mushroom growth) put new pressure on the sanitary sewers on which little work had been done during the war years. Large mains were needed and a bond issue of \$135,000 was floated to cover the cost. This, with the new stadium and a few refunding bonds carried over from the depression years, gives the city a total indebtedness of \$362,000 which is scheduled for annual reduction and final amortization by 1965.

In seeking a means to raise revenue for amortization of the sewer bonds, the council fixed a service charge equal to half the consumer's water bill, with a minimum

of 50 cents a month. A few plants which pump from their own wells pay an agreed charge based on their water consumption rate. Gearing sewer charges to the water bill brought some protests, but the council stuck to its guns.

A street-paving project is another story. The pounding of heavy snow removal equipment and the large volume of traffic had damaged a number of streets, principally those which carry major highways through the city. The state does not help cities maintain streets which carry arterial traffic and a law further provides that street paving must be paid by assessment of adjoining property owners. Accordingly, the council levied the required assessment. Taxpayers promptly howled that they had paid the original costs of construction, should not be charged to provide for the needs of state and interstate traffic. Under pressure, the council backed down.

The appointment of Dr. Val Verges, 37 years old, and the grandson of the community's pioneer doctor, as city physician gave impetus to Norfolk's health program. Perhaps, because he has two infant sons, Dr. Verges looked into the milk situation and found that a fair volume of raw milk and cream was being sold, that not all local dairies were at Grade A standards. This led to the drafting of a new milk ordinance and inspection program to be paid by an occupational tax on dairies. The dairies readily agreed to this.

What does a business man do when he participates in city government? Let's return to the Norfolk stadium project.

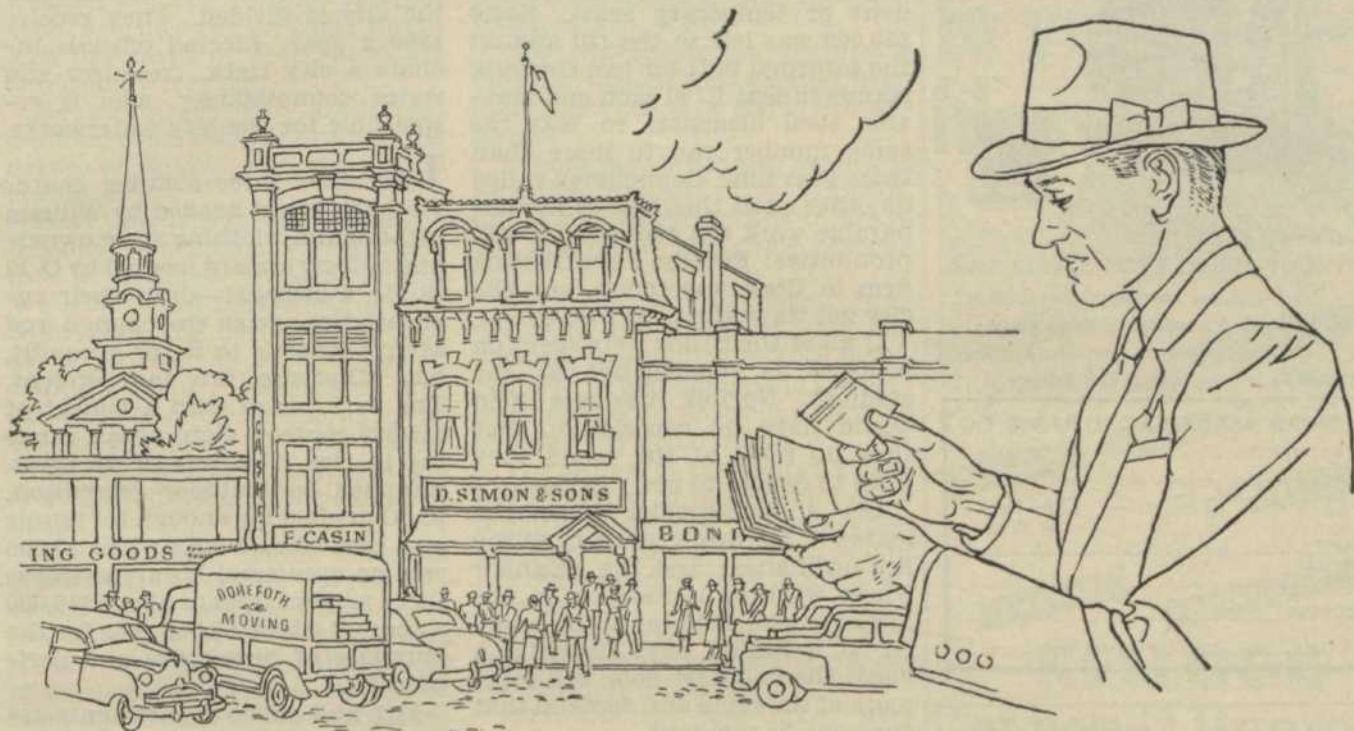
First, money had to be obtained at the most favorable rate. Negotiations were begun with bond houses, with George Dittrick, city attorney, sitting in as adviser.

Getting the money was easy compared to acquiring the land. Original estimates had placed land costs at 20 per cent of the total, or \$30,000. From his experience as a contractor, Reeves felt sure the budget would be exceeded unless the figure could be trimmed. All of the land was owned privately, with some owners in other states.

Where local opposition was encountered, the councilmen offered to buy lots in other neighborhoods and move the houses for owners

Two days to make a sale...

BUT two weeks to find a prospect!



He handles a mechanical appliance which is a big time saver and cost cutter wherever it can be used. But the firms which could use it don't know about it, or know his company.

He has a few prospects in every town, but he doesn't know who they are...So he spends two weeks to find a prospect—and two days to make a sale!

The price of the appliance is too high...has to be, to pay a salesman enough to live on.

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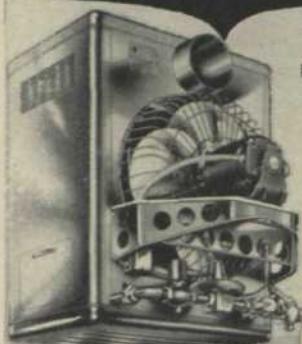


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Chicago Journal of Commerce

who wanted to keep them. The city finally wound up with its land acquired at a cost of \$19,000.

Contractors who installed drainage, graded the ball field and gridiron, erected the fencing, constructed the buildings, put in the plumbing, had to be hired under competitive bids.

Costs piled up and there was still no provision for either the permanent or temporary seats. Some \$50,000 was left in the till and all the informal bids for two concrete stands to seat 1,100 each and movable steel bleachers to seat the same number ran to more than twice that sum. Councilmen called on other cities that had done comparable work but found costs still prohibitive. Finally, a contracting firm in Utah was found, and the city got its seating for \$46,000.

If all of their time were spent on projects as constructive as the stadium, Norfolk business men would have no complaints. But they do rebel at the hours they have to devote to petty gripes.

Let a householder burn the leaves in his yard (contrary to the fire ordinance) and the neighbor whose washing is hanging in the line of smoke will beef to the council. If a family buys its child a pony, the one next door will complain of the smell and demand that the pony be removed.

Now and then citizens take a more direct course of action.

Ralph Reeves, for example, has come to expect a phone call several times a year from a customer canceling an order because of disagreement with some action he took.

One morning an irate woman called and said:

"You voted for that paving assessment against my property and you can just cancel my order for that new refrigerator."

Reeves, in a perfectly friendly manner, replied:

"All right. I've just torn up that order—now what were you saying about that street paving?"

In the long run, however, the business men on the council—and they include, in addition to those already named, A. A. Tarr, manager and part owner of a laundry and linen supply company, and Herbert Wille, buyer for a department store—agree that they've made more friends than enemies and gained \$2 in business for every \$1 they have lost as a result of their activity in municipal affairs.

In its organization the city government is similar to that of hun-

dreds of other communities of its size, differing in some details as the Nebraska statute governing cities of the first class differs from those of other states. Principal executive officer is the mayor, his duties and his salary of \$500 a year fixed by the law. The principal legislative body, the council, consists of eight members, two from each of the four wards into which the city is divided. They receive \$200 a year. Elected officials include a city clerk, treasurer and water commissioner, who is responsible for the city waterworks.

TWO other three-member boards—a park board headed by William McLaughlin, clothing store owner; and a library board headed by O. E. Bullis, a druggist—draw their appropriations from the council and are responsible to it for an audit, but otherwise are independent. The park board with a budget of \$15,000 controls eight areas, ranging in size from one of 52 acres, equipped for outdoor recreation, to others just big enough for tennis and horseshoe courts. The 17,000 volume municipal library employs three persons, spends about \$10,000 a year, of which \$2,000 goes for the purchase of new books and periodicals.

Fire and police departments are headed by chiefs responsible to the mayor and council. Streets and public works, such as bridges and municipal building construction, are under the city engineer. An electrical inspector maintains such installations as traffic signals and airport beacons and oversees wiring installed in private buildings.

Violations of city ordinances are handled in police court, presided over by Werner Muller, a former manager of a local hospital. Most defendants plead guilty and Judge Muller turns in to the city about \$150 a month in fines for offenses such as traffic violations, intoxication, and disturbing the peace.

Due to considerable division of responsibility between departments, there is a growing sentiment for the city manager plan, which would make a single individual accountable for most operations.

It scarcely seems likely that the answer to Norfolk's unsolved problems will be found without more of the same diligence on the part of its business men that it has had in recent years. But, having seen what can be done, there is little prospect that the city will accept anything less in the future.

You Can't Afford a Bad Fire Department

(Continued from page 38)

ness of walls, materials used on roofing, automatic sprinklers, and unprotected openings between buildings. He determines from weather bureau records whether such fire hazards as high winds, long dry spells or deep snows are abnormally frequent.

He examines the municipal building code, then determines the degree of rigidity with which it is enforced.

Once the facts are assembled, the National Board incorporates them into a detailed, printed report, available to all interested parties. Sometimes the recommendations are extensive, as in the case of Billings, Mont.; sometimes they are comparatively simple, as in the case of Portland, Me. No matter what the situation, there are the recommendations to be followed or not.

The National Board classifies cities from one to ten. Its requirements are so stringent that there are no cities in class one. Most cities of 500,000 population or more, however, are in class two. Most of the country's communities of more than 25,000 population are between class three and class six, with a few sevens and a sprinkling of eights, but there are no nines and tens.

Population shifts or increases in the past decade have placed a number of communities in danger

of being dropped to a lower classification unless they bring their fire defenses up to date. Other communities could raise themselves at least a notch by self-liquidating bond issues, such as that approved in Santa Ana, Calif.

The self-liquidating feature is only one benefit that accrues from improvements to a city's fire defenses.

A building destroyed by fire is removed from the city's tax rolls, and every taxpayer has to share the burden of the city's revenue loss.

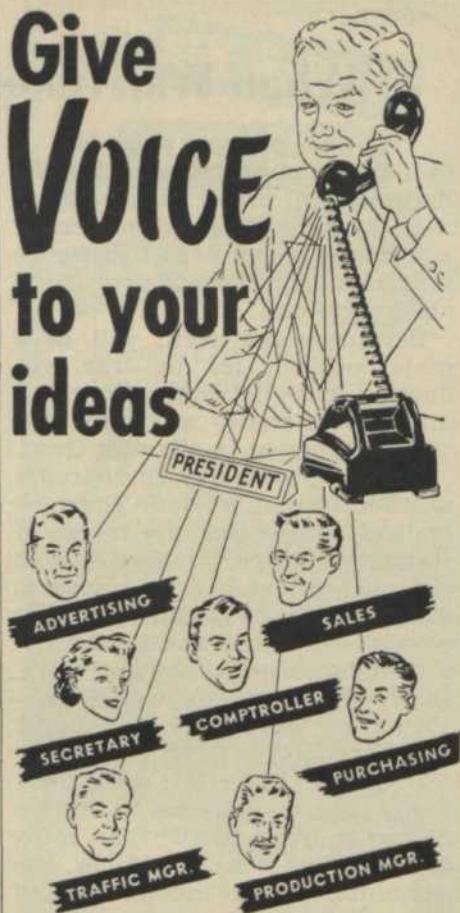
Unemployment can stem from deficient fire defenses. In one Indiana community of 2,000 population a factory employing 200 persons burned to the ground because of a bad fire department.

The owners of the factory thereupon decided to rebuild in a community where the fire protection was better. Result: ten per cent of the town's people were thrown out of work.

Then, too, there is to be considered that factor beyond price—human life.

Who can say how many lives might be saved in Billings, for instance, next week or next month or next year because of the money spent improving the town's fire defenses?

It seems to get down to the fact that you simply can't afford a bad fire department.



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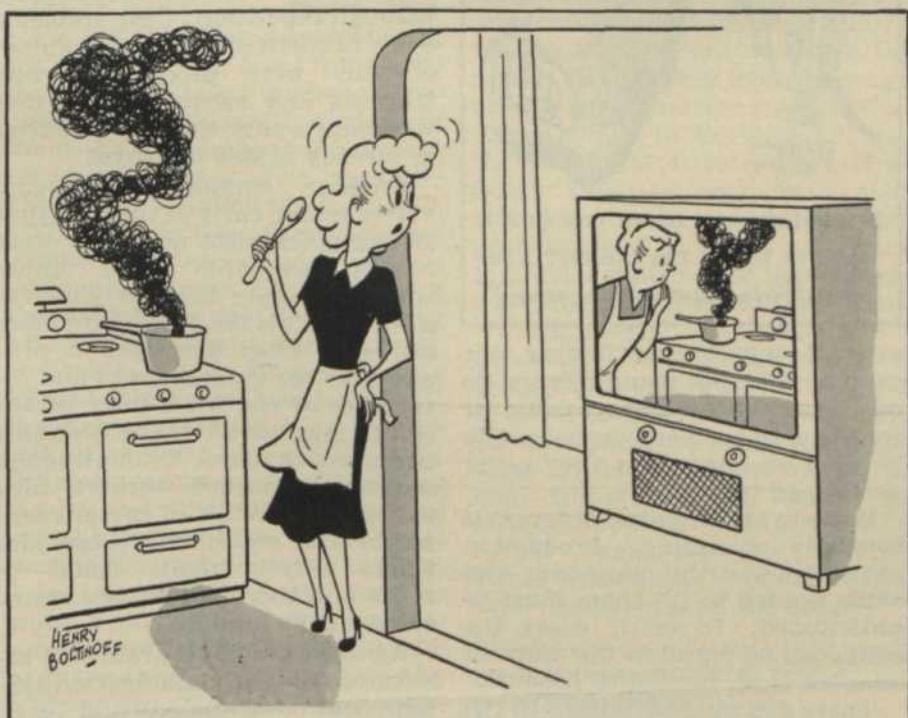
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When War Takes Your Employees

(Continued from page 32)

to his state employment office. The majority will prefer to rely as far as possible on their own sources of additional personnel. Experience indicates that most will prove to be able recruiters.

Because recruitment will be a major problem for non-war production firms, let's take the retail and service trades as typical and see what may be in store for them.

During the last war, these trades relied heavily on women. The most fruitful source was the roster of former employees who had quit to get married but had continued to work during peak sales periods such as Christmas and Easter.

Despite some miraculous work, the retailer's problem was desperate during World War II. Actually the bigger stores fared worse than the smaller. The latter could more easily adjust operations to the loss of two or three people than a big department store could to the siphoning off of as much as half of its work force. Customers all too readily noted the steady decline in the quality of the sales force.

The retailers' wartime problem is complicated by the fact that getting newer and younger blood into the distribution field has been a concern of all segments of the industry in recent years. Use of older workers may ease the situation temporarily, but far better, from the retailer's point of view, would be employment of people who'd make distribution a career.

The greatest untapped source of personnel from this angle is the schools and colleges. Students can be used for part-time work during the school year or full-time during vacation periods to fill shortages. The advantage is the draft-deferred status granted them as already expressed in Selective Service policy.

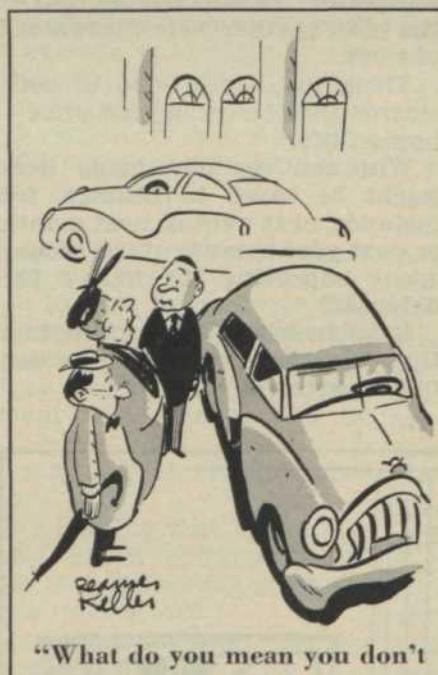
Especially noteworthy are the training programs operating in a number of schools. Many communities have set up vocational projects in cooperation with local merchants aimed at the distribution trades. Students round out their courses by working an agreed number of hours in local establishments. Colleges like New York University, Wayne University in Detroit and Harvard Business School have similar, more advanced arrangements. Specific programs are carried on for the

service trades such as auto mechanics, radio repair, dry cleaning, food service and a host of others.

The beauty of using this source is that many students have expressed a preference for the retail or service trades as a career. Hence they are not only wartime replacements, but also prospective post-war employes whose work habits and experience are tailor-made to the requirements of business.

It may help for the business man to talk his situation over with the vocational department of his local school system.

The biggest problem for the war-goods producer is bound to be the training of replacements or additions. He will get many more employment applicants than the non-essential business. In time of manpower controls he will get first call on any government aid that may be available. The trouble, as the



"What do you mean you don't have to touch the clutch? I've been driving that way for years!"

aircraft industry is finding out even now, is that many recruits do not have the necessary skills; or that experienced employees have to be used on operations they never performed before.

Basic to any training program is company planning. Production schedules and the manpower and skills needed to fill them must be anticipated. In many cases the skills can be found in the plant or adapted from related techniques.

There are wide variations in the

operations of war plants. Hence no one method of training is generally applicable. However, experience in the last war showed that on-the-job training, where employes are put on the assembly line to learn from actual experience, was usually the most satisfactory.

Most factories found it desirable to keep trainees separated from regular employes until the training period was finished. This lessened resentment among regulars and kept trainees from comparing their output with that of experienced personnel and thus losing confidence. To keep training periods short, employes generally were taught specific jobs rather than a variety as would normally be the case in peacetime.

Here is how a number of training programs were set up and operated during World War II.

A company manufacturing delicate fire control apparatus needed additional instrument assemblers, a type of work which demanded near perfection. It was impractical to break down the work into operations demanding lesser skills. Some trainees were selected from men who had had experience in related work. For the rest it tried to get, successfully for the most part, technical school graduates. Trainees were assigned in groups of varying sizes to practical instruction under experienced assemblers. Detailed written instruction as to every phase of the operation was given each trainee who was put to work under tutelage of an instructor. Precision standards were demanded, accuracy was stressed, while speed was acquired gradually through repetition. Cost problems were minimized because trainees actually were producing while learning and because instruction was made a part-time job, in effect, of already skilled employes.

Another company producing valves found, early in the war, that skilled machinists no longer were readily available. The union couldn't supply further journeymen. Officials set out to hire older workers. They developed a program for the reassignment and retraining of the work force of 400 odd to take advantage of desirable operating changes. Estimating the number of needed workers, they surveyed the skills of present employes and segregated those jobs where reassignments could be made and those where new trainees would be feasible.

An instruction program was instituted, the job classification system was overhauled and each

worker upgraded to his maximum abilities. Newly hired trainees who had no mechanical skills were taught them. The maximum learning period was eight months, but many trainees were found competent in less time. The system was made flexible so that trainees could bid for more difficult jobs, carrying higher rates, after six months on the job for which they had trained. In this way, the company kept a constant flow of employees available to handle its more highly skilled operations.

So if an employer can't get employees with the required skills he can fall back on lesser and more available skills. One caution would be in order for any unionized plant. *Check with the union and let them know what you contemplate.* It may be they can dig up the required personnel. If not, then union acceptance of the change often will save headaches.

HOW can you fit your operations to a different sized or less skilled work force?

Many companies found that a review of job operations was necessary to meet the manpower situation. Essentially, this involved job analysis, to see whether operations could be revised so that they could be performed by workers with lesser skills. For example, the aircraft industry found that many complicated operations could be broken down into a series of simple ones. The simpler operations permitted employment of less skilled hands. This made it possible to utilize experienced workers on more specialized jobs.

Other companies found they could redesign their products to fit the ability of their labor force. The so-called "victory" models of appliances, which omitted some of the de luxe operating refinements, are examples of product engineering geared to lower levels of skill.

Finally, you'll probably find desirable a review of your present personnel policies in the light of new conditions. Not every change will be in the direction of leniency, of course. Thus, already, in the Korean crisis, some plants are cutting down or even cutting out vacations to meet immediate needs. Other plants are beginning to add second and third shifts, and are hiring older workers. Overtime is becoming more commonplace. Some companies with pension plans which provide for compulsory retirement are trying hastily to change such clauses.

There are other checks. For ex-

ample, during World War II, workers went to the plants that paid the best wages; and once again they can pick and choose in a tight labor market. Employers will want to see if they are paying going wage rates for the locality. Wage incentive plans may serve to attract workers. Firms which already have reviewed their job-classification system to eliminate inequities are in a fortunate spot.

ABSENTEEISM will become a problem as production needs are stepped up, and companies must be prepared to meet it by such tested methods as job counseling, in-plant feeding and medical care—certainly by a well thought-out program of employee communications. Strikes, especially in vital industries, are a wartime anachronism, if only because employers are far more vulnerable to union demands than in peacetime when the labor supply is ample. But better bargaining techniques and a resolution on the part of both union and management to adjust differences amicably will serve to problem as production needs are cut work stoppages.

This is not an all-inclusive list of suggestions for meeting the wartime manpower problem. Some of them will not work in all cases; some will be inadequate to meet the needs of the individual company. But all reflect World War II experience. Even though ceilings, allocations, priorities and what not may be imposed in the future, some methods still will have considerable validity for the company.

The personnel man and the labor relations director once again are coming into prominence. Such jobs in wartime are not spots for softies, nor are they jobs which can be covered in routine fashion. The happiest man in World War II was the personnel director at a West Coast shipyard who was able, through heads-up, forehanded purchasing of necessary materials, to provide housing for the workers who promptly flocked to his plant.

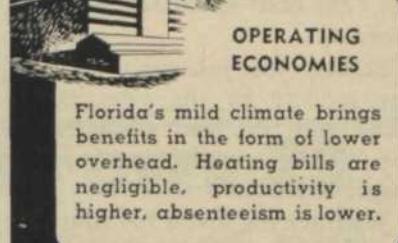
Perhaps such measures aren't necessary. But the man who looks around and sees what he is going to have to do certainly will help his own peace of mind when the chips are down. And he will be the man whose company meets its schedules and commitments, rather than Mr. Behind-The-Times who falsely relies on divine intervention to meet his needs.

What to do to get your plant ready for war conditions is told in an article beginning on page 58.



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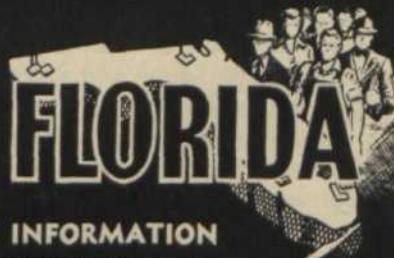


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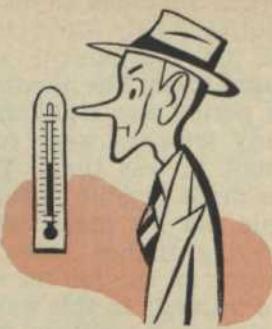
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By My Way

By R. L. DUFFUS



Our mole subway

THE MOLES were busy in our lawn all summer. They seem to grow more ambitious year by year. Or perhaps just more numerous. They used to be satisfied with running tunnels across the narrow part of our landed estate, aiming as a rule for bulbs and especially cherished plants.

This year they worked the long way of the Duffus property, branching out wherever it seemed to them they could cause some annoyance. Or maybe this was not their intention. Maybe some boss mole, with political influence enough to swing votes, had been in New York (or even Philadelphia, because, in spite of being a small town compared with New York, Philadelphia has underground transportation of a sort, as have also Boston and Chicago, and no hard feelings, I hope) and had come back fired with aspirations to reproduce one of these subway systems under our segment of ground.

It may well be that our moles have been organized into express moles and local moles, operating on schedules, and with rush hours and everything. Logically, they could justify this situation; if humans can dig tunnels aren't moles morally—or should I say moleally—entitled to do the same? Petunia sneered when I suggested this thought to her. Then she went out and got a mole and left it on our back steps. The poor little thing looked innocent and well-intending, and I must say that for once my sympathies were with the mole rather than with Petunia.

We grow older

I HAD noticed that I was growing older, as were many of my friends, but until recently I had not realized that the whole nation was aging. Now we are told that whereas in 1900 one in 25 Americans was more than 65, in 1950 one in 13 has gained that distinction. I haven't become one of the 13 yet, but I hope

to do so. The fact is I don't want to die—at least not for quite a while—and the only way I can postpone that fate is, some day, to be 65. What I hope is that at that time I shall be able to retain some of the enthusiasms and some of the energy of younger days. If all of us could do that it wouldn't really matter what the average age of the population was. And perhaps, with the aid of the doctors, the psychologists and some horse sense of our own, we can manage it.



Ye olde switch lantern

THERE are—or were toward the end of summer—500,000 oil lanterns on as many switches on American railroads. Each had to be tended. Each, I believe, flickered a little. Now I read of a new style electric switch lantern (designed by Westinghouse engineers, using batteries designed by Thomas A. Edison, Inc.) which will make oil lanterns unnecessary. My first impulse was to put in a protest before the Interstate Commerce Commission. But I do not want to stand in the way of progress. All I ask—and I think it is not much, in view of the importance of keeping our lives as romantic and picturesque as possible—is that the electric switch lights be made to look like oil lanterns. Would the Westinghouse people be willing to make them flicker a little, I wonder?

Let's keep the chug

DURING the first half of 1950, I am informed, the Class I railroads of this country installed 1,127 new locomotives, of which 1,122 were diesels and five were steam. Personally, I prefer steam, and perhaps I can still find it on the Class

IV railroads. But if the diesel represents progress I shall yield as gracefully as I can. All I ask, and it seems little enough, is that the Class I railroads add a little attachment that will make their diesels puff, snort, chug and emit smoke. In our haste to improve things let us not forget romance. Let's keep the chug.

"Unseeding" clouds

THERE have been some successful experiments in "seeding" clouds to produce rain. It occurs to me that it is high time for some scientist to invent a method of unseeding clouds to make it stop raining.



Indian summer

I SUPPOSE there is no subject except politics that has caused as many arguments as Indian summer. People don't come to blows over Indian summer or refuse to speak to each other on the street because of it but they do sometimes get slightly het up.

Some say it has nothing to do with the American Indian but refers to some other sort—East Indian or West Indian or something. Some say it was so named because the Indians used to set the woods or prairies on fire at that time and so filled the air with misty smoke.

I don't offer any theory. But Indian summer is in fact a sort of dividend—warm, sleepy days that come when we are not quite expecting them. It is a time of dreaminess and dreams, for those who have the inclination and opportunity for such indulgences. Boys always have, except when compelled to go to school.

I remember boys in Indian summer, a long time ago, lying under a butternut tree around a little fire (in spite of the pleasant warmth) talking about what they meant to do if they ever grew up, but not really wanting, or even expecting, to grow up. That was what Indian summer felt like. I like to think about it in these often troubled days.

Please, no ice age

SOME young men from Harvard have been down in the Peruvian Andes studying conditions there in

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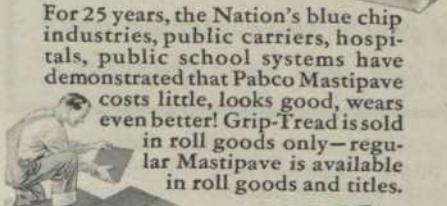
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order to determine if another ice age is on the way. Mt. Yerupaja is about three and a half miles too high for the ordinary climber, but there must be quite a view from the top. I hope that the report will be that there is not going to be another ice age—at least not up this way. What I feel about it is that we have had enough ice ages. I can't see that there would be any net profit in arranging the scenery differently. It might indeed be pleasant, from one point of view, to have the Green Mountains of my native Vermont scraped off by a glacier and deposited in Connecticut, where I now live, but I can see that this would sadly inconvenience a great many good and honest people. If the question comes up on the ballot this fall I am going to vote for leaving things about as they are—in the geographical and climatic fields, at least.

Steamships still roar

I HAVE complained in these columns of the decline of locomotive whistles. It cheers me to know that steamships are still as virile as ever. I rejoice when one of them, putting to sea a mile or so from my office, shakes the whole of midtown Manhattan with its angry roar. There are noises and noises. This one, with its hint of faraway lands, is one of the good ones.



That first bicycle

I WONDER if anybody of about my age, bald-headed or with a paunch, can recall without a thrill the day he got his first bicycle. Mine was secondhand—and a girl's bicycle, at that—but when I experienced the miracle of being able to travel at the rate of ten or 12 miles an hour instead of three or four I didn't mind.

My world suddenly expanded. I could pedal with ease to a small city six miles away, whereas previously such a trip had required a carefully planned and (as we thought in our town) costly train trip. Before long I could ride hands off and if I didn't break my neck it wasn't from lack of trying. These memories came back to me this morning when I saw a

shiny new bike in a crate in front of the express office. And I did some more wondering. Does today's boy, who is accustomed to whizzing around in a motorcar, get as much fun out of a bicycle as did his grandfather, who rarely whizzed in anything faster than a buggy? I doubt it. Today's boy has fun enough but he can't even imagine himself the fastest thing on wheels. His bicycle is a toy and a convenience, and he loads it down with bric-a-brac to make it look like a motorcycle. It isn't a chariot of fire from heaven, the way ours were.



That odorless goat

I NEVER had a pet goat, but I have known persons who did have, and also one or two persons who ran commercial goat farms. So, although I applaud the motives which led the Greek Government to send to the Washington zoo a goat named Krikri, I am rather disturbed by the announcement that Krikri is, it was emphasized, "odorless." An odorless goat is like a furless cat or a featherless bird. I should think a goat would feel lonesome without an odor. I should think it would begin to doubt that it really was a goat. What if Krikri is really a sheep in goat's clothing?

A touch of gardening

OUR COUNTRY estate consists of only a fraction of an acre, but it requires as much gardening as though it consisted of two or three fractions of an acre. My wife does some of this. I do a little less, because on my days off I like to get up late and read the paper after breakfast, and I tend to get sleepy after lunch. I do mow the lawn, though—I have witnesses, including Petunia to prove this. I could also produce a squirrel or two, some robins, several catbirds and a wise if somewhat pessimistic old crow, though they would not testify at the same time and place as Petunia, for reasons too painful to dwell upon.

My wife likes to make things grow. I like to stop things from growing so much as to enclose us in an impenetrable jungle, in the midst of which we would slowly

starve. This morning, along the wall bordering on the lane, we cleared an approach to the gate so that now we do not have to crawl in order to get through. This makes life less adventurous for the children up and down the lane—two sets of them—and their dogs, all of whom liked the tunnel effect we used to have. It does, however, leave some dark recesses, under which our own children (now grown up, and with small children of their own) used to play house. I look in there sometimes and wish my own boyhood back. I'd play Indian and jump out and scare people. (This is what the psychiatrists call infantile regression.) And soon, all too soon, we shall be raking leaves again.

A hard day, and all that

AS I WAS telling my wife that I had had a long, hard day at the office I noticed that both she and Petunia were eying me with what I can only describe as a condescending skepticism.

My wife had been working in the house and garden, answering telephone calls, shopping for the family food, and trying to get somebody to come and fix the refrigerator, the plumbing and a few other odds and ends. She seemed to believe she had put in a fairly full day herself. Petunia had not done anything that I would call work, but she had been bothered all morning and afternoon, whenever she stuck her nose out of doors, by a series of indignant jays and catbirds. A lady, she said, couldn't take a stroll and enjoy a bit of sun without being insulted and berated by these feathered ruffians.

I pointed out that birds could not be expected to like cats. She replied tartly, could they be expected to like humans? Didn't humans eat birds? Didn't they eat more birds than she did? The truth is that as middle age and wisdom, together with some adipose tissue, have grown on Petunia she has not been a serious menace to birds. In fact, she insists—and I judge rightly—that a bird in our yard stands about as much chance of being captured and eaten by her as it does of being struck by lightning. Had I, she asked, ever heard of one of those jays or catbirds being struck by lightning?

However, we all felt more cheerful after supper, which consisted of lamb chops, which we all like, and some other things, such as fresh strawberries, which Petunia doesn't like. Life was tough at times, but still worth living.



No more **MUSIC** . . .

NERO FIDDLED while his city burned. That's a fact. It's also a fact that fires cost this country some \$652,000,000 last year. Could be that too many communities are still fiddling around when it come to doing something about fire prevention.

Good fire protection is something that every community can and should have. If your town doesn't provide it you have a right to kick. Only be sure to kick where it will bring results. Your chamber of commerce is the place. Perhaps it already is working on the problem and your support can mean much. A membership is the only license you'll need.

If you've been planning to join the organization later, don't wait. Do it now. The best intentions can do little to reduce the high price of poor fire protection.

Of course the chamber is no one-way street. You want more for your fire-protection dollar. Another member wants more payrolls. He helps you and you help him. He, you and the community all benefit.



It's not always easy to solve every problem, but it is always easy to get help. All you need is to be on the team. Ask your chamber of commerce executives for your kicker's license.

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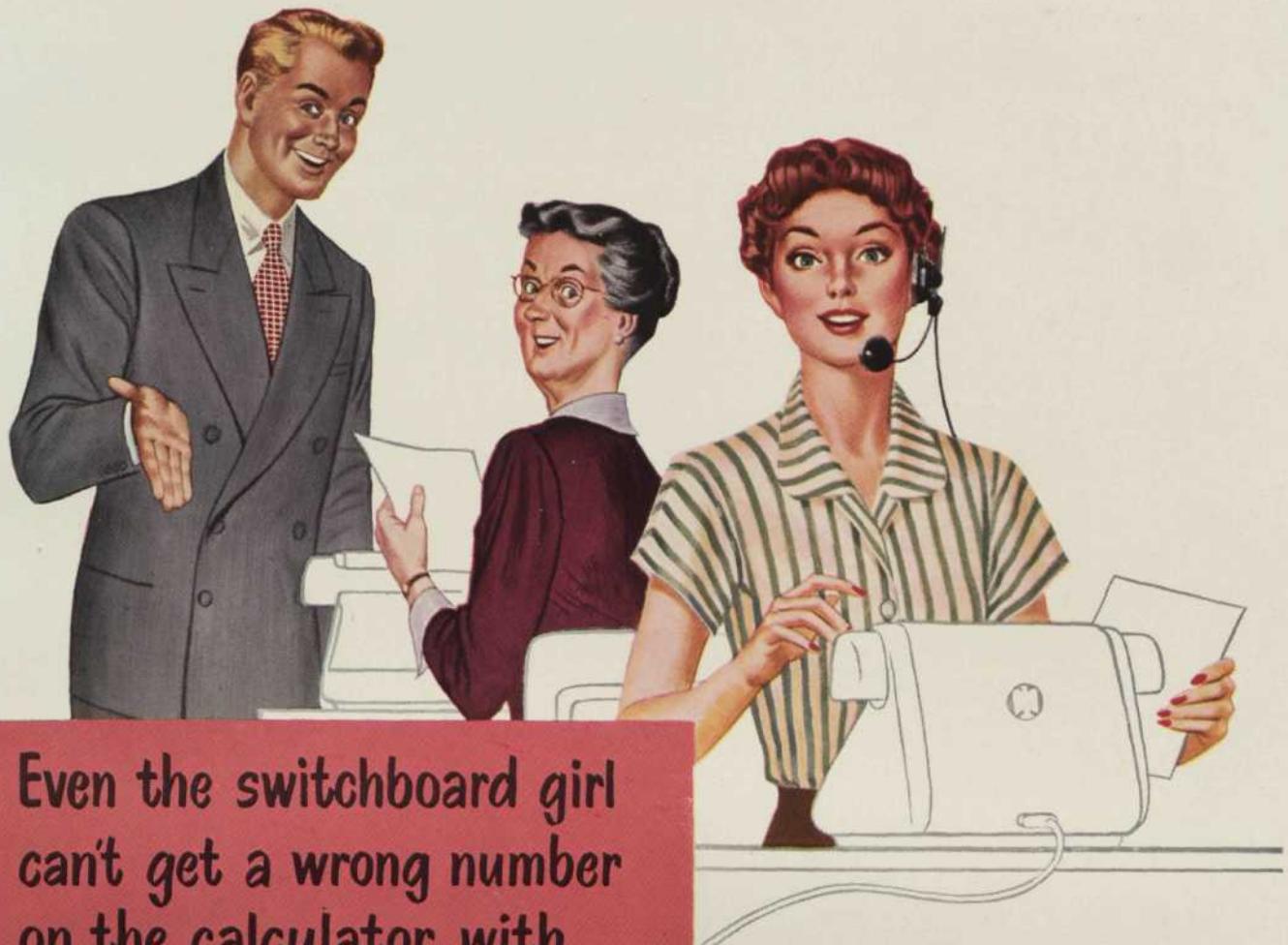
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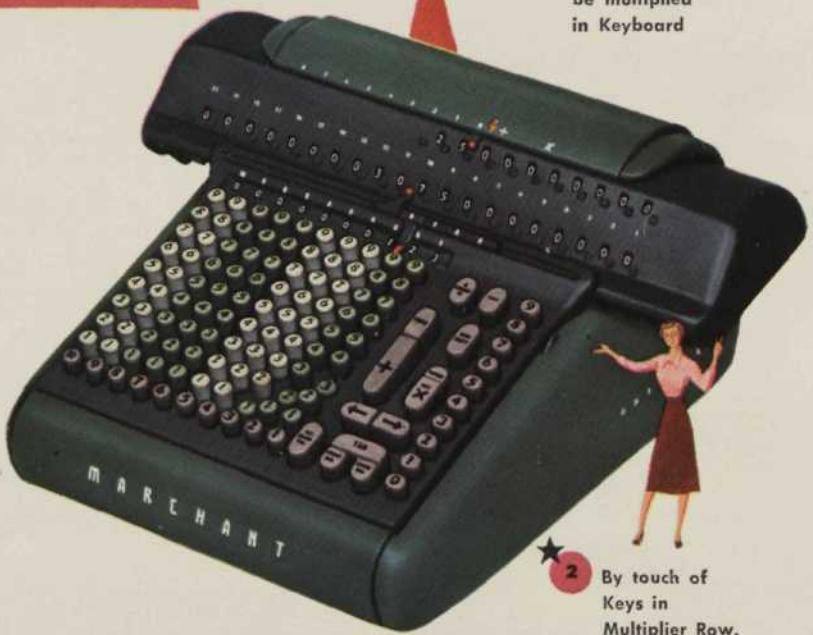
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